The MAGAZINE of WALL STREET

August 24th 1929 — C. G. Wyckoff, PUBLISHER — 35 Cents a Copy

What Stocks To Buy Now

Dividend Prospects — Market Outlook

Steels
Metals
Merchandising
Specialties
Motors
Oils

Vol. 44 No. 9

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Vol. 44 No. 9 August 24th, 1929

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"WHAT IS THE CLASS A STOCK?"
An analysis of the Class A Stock of the Associated Gas & Electric Company, including charts, figures and descriptive information indicating the progress of the properties back of Associated securities. (492).

WITH THE EDITORS

Weak and Strong Hands

UNFAVORABLE news of any kind, or even what the public construes as unfavorable news marketwise, is invariably the signal for market reaction. Stocks are thrown overboard without regard for merit and prices break, carrying down the sound issues as well as the weak. Why? Because the public, the great mass of uninformed small buyers and sellers, the short term speculators, and others believe the market should go down—and it does—by the very weight of their own selling, abetted by the ever-vigilant short operators, who are quick to capitalize any general nervousness or apprehension.

Even the casual observer, however, has noted in the past market reactions that weak companies, or those who have some unfavorable factor in their industrial or financial positions are the ones which usually decline most violently while the issue of the strong corporation whose earning position, dividend record and uniformly good prospects are affected much less severely.

The sound investment issues, in other words, offer resistance to decline. Which means that shrewd and well-posted investors are quite willing to avail themselves of a favorable opportunity for commitments in stocks of this type. Indeed in periods of high prices there are thousands of prudent individuals and organizations who keep sufficient of their funds liquid for the very purpose of taking advantage of periods of temporary market weakness to purchase the issues whose inherent strength warrants expectation of full recovery and further appreciation.

It is the buying by such investors, investment trusts or corporations which checks the decline of bona fide investment issues. What appears as misfortune for the market as a whole is looked-for opportunity to them. Temporary decline in stocks of real intrinsic merit is the signal for market entry.

Moreover, having once assumed a commitment, investors of such caliber are prone to retain their stock until it reaches the level at which it is believed to have fully discounted its prospects, without regard to intermediate swings of the market. In short with this purchasing the issue may be said to have passed to strong hands.

This in large measure accounts for the fact that most investment common stocks in the bottom of a downswing have more often than not failed to reach the low of the preceding reaction and with each recovery are regaining former high points or achieving such new levels as their own prospects and merit seem to warrant.

It pays to follow the "investment" issues and to be one of "strong hands."

In the Next Issue

Coming Features of Importance

What Is the Future of Bonds?

The growing practice of the great corporations to eliminate bonds by substituting common stocks in their capital structures is of broad significance. Numerous big banks have recently liquidated their bond holdings. The bond market has steadily declined. What do these things mean? Are bonds losing their investment standing? What is their long range outlook? These and other interesting considerations will be answered in this valuable article.

Choosing an Investment Trust

This practical discussion considers the selection of an investment trust from the investor's viewpoint. The part the trust should play in an investment program, the strong and weak points to look for in choosing from a wide field, the type of trust suited to particular needs are questions for every present day investor's attention.

Consolidated Financial Statement as of June 30, 1929

COMMERCIAL CREDIT COMPANY

BALTIMORE

Including its Subsidiaries

(After giving effect to financing in July, 1929)

ASSETS

Cash and Due from Banks	$ 24,685,683.02
Open Accounts, Notes, and Instalment Lien Obligations	44,565,296.24
Motor Lien Retail Time Sales Notes	106,498,110.38
Sundry Accounts and Notes Receivable	817,606.62
Customers' Liability on Foreign Drafts (K. M. & Co., Ltd.)	21,255,000.00
Repossessed Cars at Depreciated Value	76,184.50
Inves ments:	
Aviation Credit Corporation, New York	500,000.00
Commercial Credit Management Company	295,450.00
Sundry Marketable Securities	1,149,181.25
Treasury Stock—Common, Purchased for Sale to Employes	42,520.96
Sinking Fund Collateral Trust Notes, Series "A"	303,661.95
Deferred Charges: Interest and Discount Prepaid, etc.	1,133,843.44
Furniture and Fixtures (Cost $1,081,110.33)	5.00
	$201,322,543.36

LIABILITIES

Unsecured Short Term Gold Notes		$ 83,844,960.00
Collateral Trust Notes Payable, Short Term (Omaha Subsidiary)		1,971,000.00
Collateral Trust Notes Payable, Series "A" Due 1934		4,167,000.00
Collateral Trust Notes Payable, Series "A" Due 1935		4,252,500.00
Notes Payable, Secured (Omaha, Canadian Co., K. M. & Co., Ltd.)		11,128,783.34
Sundry Accounts Payable		1,747,909.44
Accrued Federal and Other Taxes		391,911.64
Reserve for Federal Income Taxes (due 1930)		394,357.17
Contingent Liability on Foreign Drafts Sold (K. M. & Co., Ltd.)		21,255,000.00
Contingent Reserve (Margin Due Customers only when Receivables are Collected)		3,481,958.77
Dealers' Partic pating Loss Reserve		3,255,329.63
Reserve for Possible Losses		2,156,531.69
Deferred Interest and Charges (Unearned)		5,759,189.19
Capital Stock:		
Preferred, Subsidiary Companies	$ 3,000,000.00	
First Preferred ($8,000,000—6½%; $4,000,000—7%)	12,000,000.00	
Preferred Class "B"—8%	4,000,000.00	
Class A Convertible, Series A 6%	15,000,000.00	
Minority Common Stock and Surplus, K. M. & Co., Ltd., 16,432 shares	206,210.38	
Common, No Par Value	23,309,902.11	57,516,112.49
		$201,322,543.36

COMMERCIAL CREDIT COMPANIES

COMMERCIAL CREDIT COMPANY—BALTIMORE

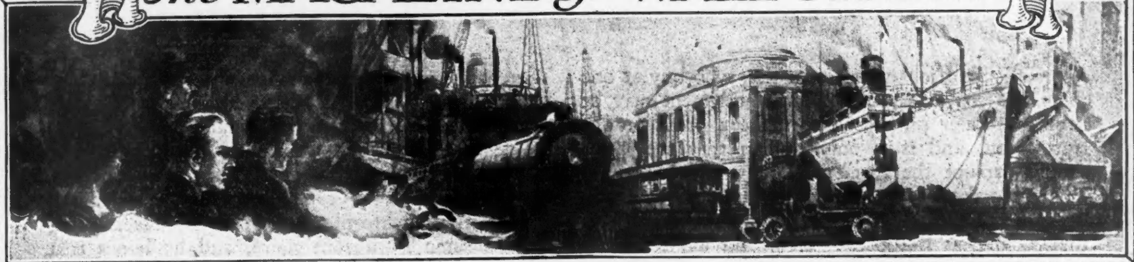
COMMERCIAL CREDIT CORPORATION
NEW YORK MONTREAL

COMMERCIAL CREDIT TRUST
CHICAGO

COMMERCIAL CREDIT COMPANY, Inc.
NEW ORLEANS

KEMSLEY, MILLBOURN & CO., Ltd.
NEW YORK

The MAGAZINE *of* WALL STREET



INVESTMENT & BUSINESS TREND

Yesterday's Restraint, Today's Freedom — Cross-Hauling Investments—Rediscount Rate Change—Fordizing European Wages—The Market Prospect

YESTERDAY'S RESTRAINT TODAY'S FREEDOM

GOVERNOR BYRD of Virginia advocates a session of the legislature with nothing to do but repeal old laws. We ought to have a similar session of Congress. The processes and organization of modern business change so rapidly that laws are nullified by facts or diverted into strange channels. Take the case of the four big Chicago meat packing concerns that submitted to a consent decree of the Supreme Court of the District of Columbia that took them out of "side lines," thus confining their operations to meats. That was ten years ago, and there was a plausible argument for keeping the meat "trusts" from invading other food fields. Today the facts are all the other way. Keeping the big packers out of other products than meat now puts them on the defensive and the retreat before new colossi of business. Maybe ten years ago they might have operated to restrain the freedom of trade. Now their efforts would promote freedom of trade. They are not permitted to compete in other fields that are overrun with huge organizations that also have the free run of the meat field. The very businesses the court sought to protect have turned the tables and are now in the meat packing and distribution business up to the hilt. Now it's the packers that need public assistance, either through the courts or remedial legislation. They should be unshackled and encouraged to go rigorously into the whole realm of food production and distribution. There is no darker reproach to our present system of distribution than that of food. The spreads between production costs and consumers' prices are often monstrous. Outside of cooperative associations the only hope the public has for relief is in the great food corporations. Only through the expeditious merchandising of enormous quantities of goods can a thin turnover profit be converted into a satisfactory capital investment profit. One of the new trusts—chain stores—unheard of ten years ago, that has contributed to reversing the situation that then prevailed, owns 207,000 meat markets. Food is cheaper in consequence. It will be cheaper still if the big packers can get into the game. This is the age of bigness. We must stop fearing it. Men used to fear elephants, now they work them. That is the way it is with commercial bigness.

CROSS-HAULING INVESTMENTS

IN 1928 foreign investors sent $481,000,000 to the United States and our investors sent $1,217,000,000 back. Which group made the better investment? It is obvious from the figures that the United States had no need of foreign funds, and if there is anything that the foreign world needs it is capital. We suspect that there is a profound difference between these two investment currents, with the probabilities in favor of the foreigners having exercised the better judgment. Their investments here are investments in a truer sense than ours abroad. The former represent discriminating purchases of stocks and bonds by seasoned judges of values. The foreigners buy our securities because they are good. We buy theirs because selling them to us is an organized international business. The foreigners intelligently select bargains, we dumbly receive what the international investment bankers tell us to take. The foreigners are actuated also by a sound basic general principle, viz., that the United States is the best investment environment in the world. We are actuated by the clever merchandis-

ing methods of jobbers of securities, who buy at one price and sell at another. Their judgment may be good, but their purpose is to make a profit on the transaction, and it is only human that the latter should corrupt the former. We would not for a moment make any generalization against American investments in foreign securities, but we are certain that so long as Europeans "shop" for our securities and we passively take theirs in high-pressure selling drives, they stand to have less to regret and more to approve than we.

REDISCOUNT RATE CHANGE

NEARLY everyone will concede that the Federal Reserve authorities in their recent action on the rediscount rate exhibited marked ability for springing a surprise. It was a bombshell hurled into a financial camp, which had been lulled into a sense of security by the failure of the Bank of England to advance its rate. The adroitness of the move, however, can only be demonstrated by forthcoming results. Apparently the Reserve Bank is intent upon checking the supply of credit for market purposes by the new rate, but at the same time, apprehensive lest business be victimized, the buying rate on bankers' bills is lowered. Thus in a sense two contrary forces are set up: one directed toward dearer credit in purely stock market channels, the other making for easier money for trade, industry and agriculture. So far the first objective does not give evidence of impressive achievement. It is true that brokers' loans have decreased by 68 million dollars from the high peak for all time of over 6 billion, but a meager drop of 1% in this total is a far cry from the Board's desires as expressed in previous warnings. It is the change in the bill rate which is likely to prove the more potent force and to produce the far-reaching effects. For the freer purchase of acceptances not only lends needed support to the bill market but implies an increase in the supply of funds required by commerce and the farmer.

From this latter reason, easier credit conditions and generally lower interest rates are conceivable, particularly when the fall crop movement is consummated. At this not distant date, the Board may well see fit to effect further adjustments in its current program.

FORDIZING EUROPEAN WAGES

HENRY FORD upset some antediluvian economic "principles" in the United States when he established $5 a day as a minimum wage. Today everybody in America sees it plain as day that it's wages that buy products. The point of view of our captains of industry now is not how low can wages be kept but how high can they be maintained. The change is not due to compassion for the laborer, far from it: it is due to discovery of a better way toward the old goal of more ultimate profit. Profits, the deep red devil of the socialists, plays the role of a social uplifter. Now Henry is introducing the idea into Europe. Europe must spend more if it is to buy an adequate number of Fords. He is going to give some Europeans more, and he hopes that this example will be followed by other payroll writers, as it was in America. It worked here because it was possible to speed up business and increase output, resulting in small profits but a lot of them despite high wages and a larger wage ratio. If the idea works in Europe that continent will need to change its name—it will be so new. And Henry Ford will occupy a greater place is history than any soldier or statesman ever has. We are dubious about the experiment—Europe is so old and ossified. But, anyway, we're glad that Henry never studied economics.

THE MARKET PROSPECT

THE stock market's reaction to the most important development of the fortnight, the raising of the New York Federal Reserve Bank's rediscount rate a full per cent, was both interesting and decidedly significant. Prices broke sharply, as they always do in the face of unexpected adverse news. But after the first shock, the major portion of the list recovered under the leadership of the "investment issues," and the market has since conducted itself pretty much as if nothing had happened. The main body of stocks had been losing ground technically before the forcible reinjection of the Federal Reserve into the picture. Hence the break induced by the rate increase resulted in hastening the correction of internal weaknesses, placing most issues once more on a firmer foundation. Moreover, the circumstances surrounding the action of the banking authorities would seem to suggest that their attitude toward the stock market is less forbidding than it was earlier in the year, and that they chose a time and manner of raising the rate calculated to do the least permanent harm to investment sentiment. Despite the ebulliency of the market at times, it is clear that the speculative fever which accompanied the late winter and early spring bull movements has diminished appreciably. The present market comes closer to the investment ideal. Prices are more nearly governed by investment demand, based on fundamentals. Values, accordingly, can be more accurately gauged. If anything, the developments of the last two weeks have tended to clarify the credit situation, in the market's eyes. Hence, it is proceeding again about its principal business of bringing stock prices of sound issues into line with improving earnings and dividend prospects, leaving the weaker stocks to their own devices.

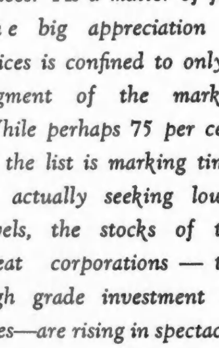
Monday, August 19, 1929.

The New Force That Skyrockets Security Prices

What Is the Scarcity Value of Common Stocks?

By A. T. Miller

THE rising market! It is an all too frequent characterization. New peaks made by so-called "averages" have lent color to the impression of a mass upward movement of prices. As a matter of fact the big appreciation in prices is confined to only a segment of the market. While perhaps 75 per cent of the list is marking time, or actually seeking lower levels, the stocks of the great corporations — the high grade investment issues—are rising in spectacular manner. What is responsible for the upward sweep of these issues? What new elements have entered into supply and demand? The author of this article throws new light on this interesting subject.



IN spite of the billions of dollars worth of securities which have been offered to investors within recent years, a definable scarcity value has developed for the better grade of investment stocks, which largely accounts for the record high prices to which these issues have been able to climb. Statistics that might be quoted to indicate the supply and demand for securities disclose a strange paradox—the more that stocks are offered, the more the market becomes drained of its best issues. Thus, the conventional methods for appraising the potential value of common stock values must go by the board, as these new factors enter the situation and stimulate stock market movements in the favorite market leaders.

How can the paradox of growing volume of new security financing and the reduced "floating supply" of the high grade investment stocks be reconciled with fact and logic? A study of the type of stock financing that predominates at present and the new practices that are involved in these operations will furnish the answer.

Financing to Buy Stocks

In the first place, a large part of the current supply of new stock issues are merely revisions in capital structure or change in control of existing corporations, rather than financing for industrially productive purposes. Under this classification would come, stock financing to retire bonded debt (U. S. Steel and Anaconda), stock financing to create a corporate holding structure for stocks held by private individuals (United Corporation and Alleghany Corporation) and stocks issued as a stock dividend or split-up (Burroughs Adding Machine and National Dairy Products). In addition to these types of companies, large capital funds have been taken up in bank mergers, the resources of which remain at the disposal of the investment markets and in investment trusts which have raised over a billion dollars since the first of the year to be reinvested in securities.

In the aggregate, such financial operations as enumerated above have run into many billions of dollars. The new securities that are issued supply the security market with many forms and types of investment vehicles. But the capital that is realized does not go into new plants; it is not used for the expansion of business nor indeed (with an important exception in the aviation industry) are new industries created to any large extent with this generous supply of investment capital. Instead, it represents capital available for investment in securities; capital to pay off bank loans, to retire bonds, to create large holding and investment companies, to consolidate small units into dominating industrial corporations and to effect changes in the control of other concerns—all of which releases credit that, in the absence of a pressing demand for commercial credit, finds its way back into the security markets.

Investment Trust "Control"

In many instances, the channel through which the capital finds its way back into the stock market is controlled and supervised by trained security experts. A case in point is the investment company or the investment trust. Naturally this concentrates the enlarged buying power on a comparatively small number of "hand-picked" issues. As the floating supply of such issues becomes smaller and smaller, the individual investors have to bid for these securities. Whether they realize it or not, their competitive bidding creates a scarcity value for the desirable issues which sooner or later is bound to

find reflection in a rising scale of market quotations.

There are many types of securities companies and investment trusts. One of the earliest forms of investment operation in this country was the "fixed trust" plan, whereby the securities which are bought and deposited against trust certificates are never disturbed as long as the trust exists. This type of trust takes stocks out of the market on a more permanent basis than any other trust. Of late years, the "management" trust has become more popular. Here the investments of the trust may be bought and sold at the discretion of the managers. Some of these trusts maintain both stock and bond portfolios, enlarging the one that offers the most promising investment opportunities at the expense of the other. At the present time these trusts are concentrating on equities rather than bonds.

Other security companies like the United Corporation and the Pennroad Corporation are formed to hold certain blocks of securities permanently. The creation of this new kind of security company considerably reduces the floating supply of the individual stocks on which their resources are concentrated. The management trusts spread their resources more thinly over many issues, but the effect must be tallied in terms of their aggregate absorption of securities.

In scrutinizing the effect of investment trust buying and selling, the point is frequently raised that the expert managers of these funds are more likely than the individual investor to supply the market with stocks when high prices prevail. It is true that some of these trusts engage in trading practices, buying and selling for profits in much the same way that the individual trader operates, and make no secret of the fact. When they have a sizable profit they take it and place their funds in short term securities, on call or on demand deposit.

This is not typical investment trust practice, however, which is to buy and hold good stocks irrespective of intermediate fluctuations in prices or minor market swings. As long as the companies which they have bought into continue to look promising and as long as the general financial outlook looks favorable, they are content to leave it to the more speculatively inclined trader to supply the market with selling for the inevitable corrective movements. Certainly in the kind of a market that we have had for the past six months, there is more reason to believe that the investment trusts have increased rather than reduced the scarcity value of standard investment stocks.

Interlocking Corporations

The interlocking stockholdings of the large railroad companies are well known and the existence of large holding companies in the utility field gives an additional clue of the extent to which active market stocks are withdrawn from the market-place by corporate ownership. The 23 per cent ownership of General Motors by E. I. du Pont de Nemours is a classic example of the same situation in the industrial field. What the average investor does not appreciate, however, is the actual extent to which corporate ownership of securities reduces the available investment supply on the stock markets at present.

Dr. David Friday has furnished some recent figures which give an indication of the amount of good dividend paying securities which are held in the treasury of other corporations for investment purposes. According to Dr. Friday's figures, some 7.5 billion dollars will be paid out in dividends this year. Out of this total, approximately 2 billion dollars or more than 25 per cent will be paid to other corporations who hold a proportionate amount of the outstanding corporate stock. The floating supply of stocks of "seasoned" companies may vary as much as from 10 to 50 per cent. If a cross section of the country's supply of outstanding corporate stock shows that over 25 per cent is held by other corporations, however, the available supply for institutional and individual investment purposes is reduced proportionately.

Foreign Buying

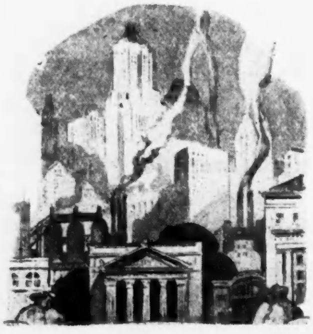
Another source which is thought to be continually draining upon the floating supply of good American investment stocks is the foreign capitalist who is equipped with many decades of training and experience to search for investment opportunities beyond his own shores.

Prior to the war, foreign investment securities aggregated at least five billion dollars. During the war, these American securities were mobilized and sent to the United States to be liquidated. With the restoration of normal credit conditions in the European capitals, however, foreign investors began to buy back their American investments. Due to the penalties which were imposed upon them by depreciated currencies, this movement was slow to get under way.

At present, however, European capital markets can compete on a very favorable basis with the American capital market both on the basis of stabilized foreign exchanges and on interest rates. American railroad securities and some selected varieties of industrial issues, were quite popular with British investment trusts and foreign capitalists who realized that they were buying these issues in a market handicapped by a chronic scarcity of investment capital. American securities were "cheap stocks" compared with their own domestic issues.

Having this perspective to guide them, the European buyer of American securities is more likely to appreciate that American securities are "coming into their own" now that America is an extensive exporter of capital, whereas the American investor, who is much closer to the woods, talks about the same issues in terms of being "overpriced." Low yields do not deter the foreign investor because he is accustomed to low yields and is willing to buy equities on an income basis that rather generously discounts the future possibilities of enhancement in value. Furthermore, the foreign investor knows his ground a little better among the better grade of American investment stocks, therefore, his buying is concentrated on this class of stock, contributing measurably to the growing scarcity value of this group of American securities.

Stock split-ups serve the theoretical purpose of increasing the floating supply of stocks and the large number of stock dividends, and split-ups are pointed to by some observers to refute the theory of a growing scarcity value for common stocks. This is pure theory, however, for in actual practice these split-ups have just the opposite effect. The lower values that are created as the result of such capital changes, places the formerly high priced issues within the range of the investing public. The net result is that more certificates are taken out of the hands of speculative traders and held for further growth in value by the small investor. The investing companies and the institutional holders of these issues, are just as likely to hold the shares after the split-up as before because they have more



(*Please turn to page* 807)

Reparations Settlement and Allied Debt Cancellation—Is Anything Settled?

By Theodore M. Knappen

UNDER the Young agreement plan Germany undertakes to pay the allied governments, including the United States, about $27,000,000,000 in the course of the next 59 years. The Allies owe the United States $12,000,000,000 under their respective debt funding agreements, but if they take the full period of the agreements to make their payments interest will run the total up to $22,000,000,000. On the average Germany will have to pay about $460,000,000 a year to the Allies, and they will have to pay the United States a somewhat smaller annual sum, about $400,000,000. Broadly speaking, the practical working out of the reparations and ally debt settlements is that Germany must pay the United States indirectly around $400,000,000 yearly.

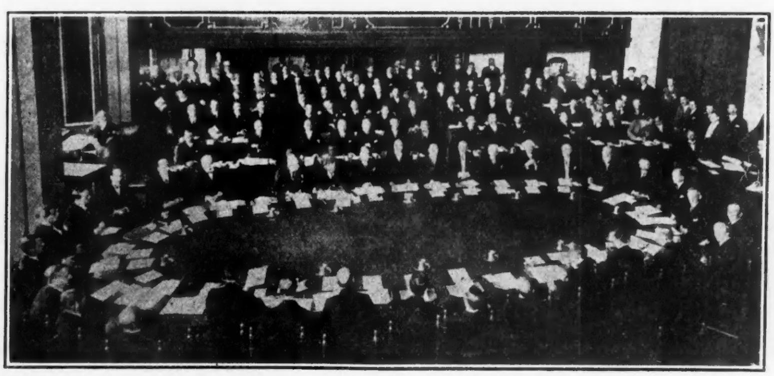
Reparations and Allied Debt Payments

Germany to pay the Allies	**$27,000,000,000**
Great Britain to pay the U. S.	**11,100,000,000**
Italy to Pay the U. S.	**2,400,000,000**
France to pay the U. S.	**6,840,000,000**
Jugo-Slavia to pay the U. S.	**95,000,000**
Poland to pay the U. S.	**436,000,000**
Belgium to pay the U. S.	**727,000,000**
Czechoslovakia to pay the U. S.	**313,000,000**
Other Countries to pay the U. S.	**233,000,000**
Total of payments to the U. S.	**$22,144,000,000**
Leaving net reparations to be realized by the Allies	**4,856,000,000**

The United States always has taken the position that there is no relation between the reparations and the debts of the Allies to the United States. The Allies have maintained that practically they are inseparable. After ratifying the debt funding agreement with the United States the French parliament instructed the government to make payments to the United States from payments received from Germany. The implication is that unless France collects from Germany she cannot pay to the United States. In general the Allies have always felt that the United States should cancel the war loans to them on the ground that they were really a proper part of the cost of the war to the United States, rather than a loan. Great Britain long ago took the position that she was insisting upon payment of war loans made by her to the other Allies only to the extent that she had to pay the United States on war account. Undoubtedly, the amount of the German reparations payments would have been reduced even more than the Young agreement reduces them from the amount presumably contemplated by the Dawes plan if the Allies had not been faced with their enormous "dead horse" debts to the United States.

Whilst steadily maintaining that the two sorts of debts were in completely separate compartments the United States has had to face the fact that it has a profound interest in the German reparations problem. It could not be denied that that problem was not only bound up with the practical question of the ability of the Allies to discharge their obligations to the United States, but with the even larger subject of the economic stabilization of the world which has now become of supreme importance to the United States with its nine billion dollars annually of foreign trade.

So, we have had the curious spectacle of our government remaining nominally and formally aloof from all reparations negotiations and at the same time really taking the lead in the two final approaches to their disposition. General Dawes and his associates did not represent the United States in the conference that resulted in the temporary Dawes plan of dealing with reparations. Owen Young and his confreres did not represent the United States in the final settlement that is named for Mr. Young. Our government took the position on both occasions that it



P. & A. Photo

The Opening Session of the Reparations Conference at The Hague

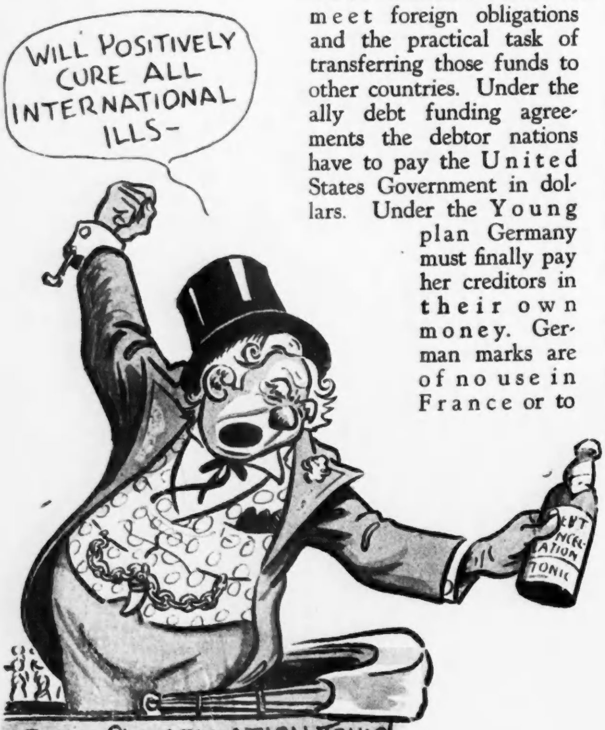
had no objection to the inclusion of American citizens as financial experts in the conferences, which they actually dominated, but it gave them no official sanction of any kind. It expresses no opinion regarding the Young plan, and it is not represented at the official conference of the allied and German governments now sitting at The Hague to pass on the plan proposed by the economic experts. And yet it confesses a certain official interest by asking to be permitted to have an "observer" at the Hague conference.

U. S. Deeply Involved

Whatever we may say or do and however rigidly we may maintain the attitude that there is no connection between the reparations and ally war debts to us the fact is that we are profoundly involved in the reparations complex. By insisting on collection of the war loans we have undoubtedly added to the size of the reparations and consequently to the magnitude of a fiscal problem that may torment Europe and the world for more than half a century to come. And this fiscal problem is intimately related to the liquidation of the ordinary bills of commerce as well as to the loans and investments of our nationals abroad. In return for nothing in the way of goods or services of current value Germany must find some way to pay the Allies $400,000,000 or $500,000,000 a year, and similarly the Allies must pay us roughly the same amounts without getting anything in return.

Every year for a lifetime Europe will have the problem of how to get half a billion dollars out of Germany, no matter how easily Germany may be able to pay that sum over within her boundaries; and at the same time Europe will have the problem of how to send that amount across the Atlantic from the respective countries contributing to it.

It must always be remembered that there is a vast difference between any country's setting aside from its own revenues sufficient funds to meet foreign obligations and the practical task of transferring those funds to other countries. Under the ally debt funding agreements the debtor nations have to pay the United States Government in dollars. Under the Young plan Germany must finally pay her creditors in their own money. German marks are of no use in France or to France unless they are exchangeable for francs; we have no use for English pounds unless we can convert them into dollars. Conversion is a question of gold deliveries or of offsetting credits.



In the long run, simply as a matter of financial mechanics, Germany can not pay her debts unless she can put the rest of the world into the position of obligating itself to her nationals annually by as much as the amount of her reparations payment. In other words she must in the broadest sense of the word sell more than she buys. At present the balance of pure trade is against Germany; she exports goods and services less than she imports. Instead of building up net credits abroad she is accumulating debits.

So far, she has made cash reparation payments only by means of borrowing abroad. She has borrowed, either governmentally or through the business operations of her people, enough money to establish credits with which to make some reparation payments.

To be sure, Germany has paid a considerable amount by direct payments in goods and services. German marks may be worthless abroad but German goods are valuable. If Germany could discharge the entire indebtedness in that manner there would be no intricate problem of money transfers. But the allies find that a flood of debt-paying German goods and services that is not offset by a corresponding flow of their goods into Germany is a domestic nuisance. The home producer reasons that his market is reduced by just as much as his government takes German goods and services. Germany was ready to rebuild the war-destroyed part of France and charge the cost to reparations—and to some extent she was allowed to, but French industry could not be expected to look with equanimity on a ten billion dollar job of reconstruction going on without a chance to participate.

Payments in Kind

At this moment Germans are building water-power works in France and public works in Morocco on reparations account, receiving their pay from the German government in marks which in turn gets credits from the French government in francs. The Germans have even built ships for French firms on reparation accounts; but if one wishes to know how French shipbuilders view such a transaction, they can imagine what sort of a riot there would be in this country if we were to let English shipbuilders build vessels for the American merchant marine as payments in kind on the British war debt to the United States.

If cash payments from one nation to another, without offsetting substantial credits, are disturbing to the nation undertaking to make them, payments in kind are as fully disturbing to the creditor nation. It amounts to importing without exporting. This fact is recognized in the Young agreement which forbids goods or services settlements on government account after ten years. One of the principal objections of the British government to the Young agreement is that it permits any further payments in kind; the

British have found them full of domestic trade troubles. Even if this ten-year provision stands Germany must for 49 years pay every cent of the annuities under the settlement in cash—foreign currency cash.

There are competent observers who frankly say that the reparations payments will never be made in full simply because they cannot be transferred. The Young committee sees no difficulty in the way of German revenues being able to yield sums to meet the proposed reparations annuities. For 37 years the German Railway corporation will produce 660,000,000 marks of each annuity. The amount of the annuity varies from year to year; but in no year does it exceed 2,429,000,000 marks, so that at the highest point taxation will have to take care of only 1,869,000,000 marks ($467,000,000) a year, which is a trivial public debt payment for a nation of 60,000,000 people as competent and efficient as the Germans are. The Young committee also expresses confidence that the instalments can be transferred, especially with the aid of the Bank for International Settlements which it to be set up for the purpose of dealing with the complicated service of the loan and the technical financial problems that must be solved from year to year. During the first ten years, deliveries in kind will take care of the problem to the extent of 750,000,000 marks in the first year, down to 300,000,000 in the tenth year. To meet transfer obstacles that may arise from year to year only 660,000,000 marks of each annuity must be unconditionally paid over, certain provisions being made for postponement of the balance for a time.

Commercializing the Debt

If necessary the German government may be required by the Bank to issue bonds upon that portion of the annuities which is not postponable. But if any of the creditor governments is desirous of issuing German bonds at home in connection with its own debt conversion operations such bonds must be issued. These bond issues should dispose of all ultimate difficulties in respect to transfers. They constitute the much-discussed subject of commercialization of the reparations debt. They become the means by which investors in creditor as well as neutral countries may eventually take on the burden of financing the reparations payments. As the chief creditor nation of the world the United States, through its investors, will have an opportunity to provide the cash with which transfers can be made. Thus the job of mobilizing the German debt as well as that of the Allies' debts to the United States may eventually come in large degree to the American investor. He will put up the money to pay Uncle Sam and take in return foreign promises to pay, some governmental and some private.

These debts may never be paid in the sense of being finally liquidated. They may be converted and reissued in some form or other to the end of time. But on the assumption that sooner or later they must be discharged in full or in part we get back to the thesis that the debtor nations must find some way to create international balances in their favor from other sources than borrowings. The Young committee envisages this situation in the case of Germany by stating that her exports must be increased in relation to her imports, and hints at the injudiciousness of the trade barriers that may interfere therewith.

It even ventures to say that the International Bank can "by judicious non-competitive financial development prove a useful instrument for opening up new fields of commerce, of supply and of demand; and will thus help to solve Germany's special problem without encroaching on the activities of existing institutions."

In other words, the Bank will be a financial institution to promote German trade. It comes to this, that Germany's debtors must enlarge and extend German exports in order to collect from Germany. For their governments to get their money they must encourage German competition in international trade. If we assume that the war was primarily brought on by Germany's desire for greater economic power we face the paradoxical conclusion that by suffering defeat she has forced her former enemies to unite to help her attain her ambition. What she failed to get with cannon she obtains with debts.

Since it appears on the whole that the Young plan will work, with good will and international peace, and that the Allies will get their money in the course of 59 years, and much sooner if the American investor cares to give them cash and take their German I. O. U's, we have to conclude that they will be able to meet their obligations to the United States, subject to transfer difficulties that will not have a fairy godmother of a special international bank to smooth away. They will have the money, but it may be a case of "try and get it."

But is it worth the effort?

"The Blue Wound"

In "The Blue Wound" Garet Garrett tells a fable of a community of twelve families. One family was exceptionally industrious and saving. It always had

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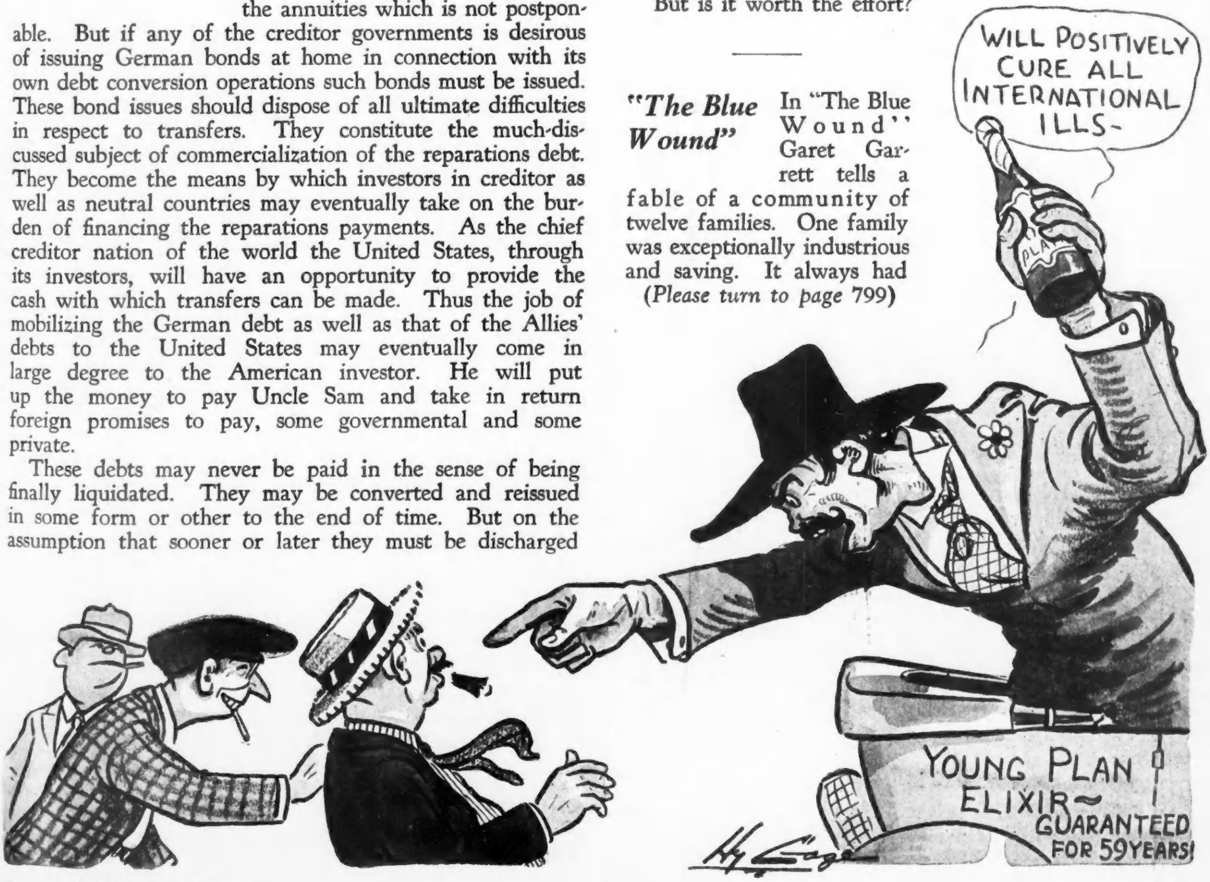


Six Billion Buying Power in the Great Staple Crops

Farmers' Prospects Exert Wide Influence on General Business and Specific Companies

By Frank R. Walters

THE buying power of Uncle Farmer Sam, by reason of this season's crops, based largely on the three great staples, cotton, wheat and corn, should be within a few paltry millions of six billions of dollars. This estimate is founded on the probability of dollar corn, two-dollar wheat and cotton around twenty cents a pound, although the latter is just as likely as not to be temporarily boll-weevilled up to at least 25 cents.

The extra bulge in the 1929 farmer's purse thus amounts to a billion and a half and may get pushed out another quarter of a billion if the cotton crop shrinks. So the "dirt" farmer—the big-crop business man—of this country is automatically, as it were, being transposed by nature, and the increasing food demands of a more prosperous world to a closer parity with the other great industries than he has enjoyed for some time.

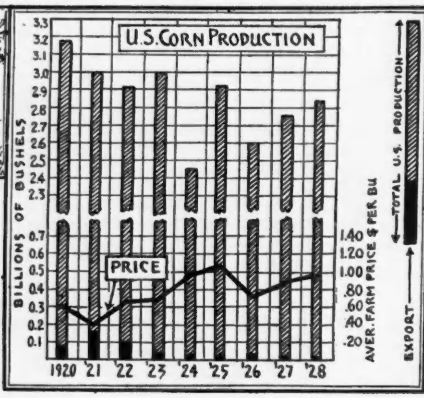
While psychological credit may be given to the Federal Farm Board, whose new Cooperative Council of two million farmers is unquestionably a powerful stabilizer of prices, fundamentally increased agricultural profit arises from the paradox of crop scarcity rather than abundance.

The prolonged spell of drought that seared most crop areas, of course was responsible in high degree for the shrinkage in yield now expected, notably the indicated decrease of something like 135,000,000 bushels of wheat from last year's crop, not to mention the collapse of Canada's wheat production which has been cut in half. The cotton crop is at present a pure gamble.

These deplorable physical aspects, however, are fortunately providing the essence of prosperity in the high prices that now prevail and will undoubtedly work higher before the end of the year. Thus, while the total acreage of all crops harvested this season is apparently about the same as last, the decreased yield apparently will increase the cash return to the farmer. The greatly expanded purchasing power of the broad agricultural areas will naturally be reflected in a substantial growth in the sales of those corporations distributing implements, merchandise, etc., therein. Some railroads will not show much decrease in revenues due to lower shipments, according to the conditions in the territories they serve, but the carriers in the Northwest will particularly suffer from the drastic cut in crop bulk there. However, the rails will, of course, derive benefit from the extra movement of goods into the farm zones.

Furthermore, the serious underproduction of wheat may bring about a considerable change in the complexion of our foreign trade. Wheat and flour as the fifth largest class of commodities in point of monetary value exported to foreign countries, constitute about 7 per cent of the chief items. Raw cotton leads all with an export value of $920,000,000 to all countries. These facts take on renewed interest in view of the current tariff discussions.

Corn Sustains Good Business Prospects



SURPASSING in value, by almost a billion dollars, the nearest ranking big-money crops of the country, corn also stands apart in a year of under-production, for it bids fair to present a better-than-average outturn. Although the acreage this season is reported somewhat above 98,000,000 acres, a bit more than 2 per cent less than last year, the yield is estimated in the neighborhood of 2,850,000,000 bushels, comparing with the 1928 harvest of 2,840,000,000 and the five-year average from 1923 to 1927 of 2,747,000,000 bushels.

While the parching blasts of heat driven into the soil by the same unrelenting sun that has dwarfed the wheat yield have had their effect upon the vast areas of corn that embrace every State in the Union, this plant is not so susceptible to drought as the earlier crops, and, having a longer growing season has more chance to recuperate. This has been well depicted in the last couple of months when welcome rains swelled the former forecast by 100,000,000 bushels. Unquestionably much depends, as to the ultimate crop volume, on the future ratios of moisture and heat in the numerous corn belt states.

The potency of weather is signally portrayed by the log of the 1928 season as viewed alongside the current period. Corn was gotten into the ground early last year but a good start was stunted by cold, wet weather in June's last two

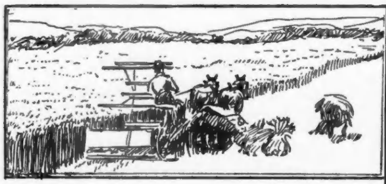
weeks, while clear July days restored growth under good cultivation, resulting in a greatly improved condition. This season the planting was late and the early growth was poor even to the middle of June, but thereafter substantial improvement occurred under favorable skies. Continuation of agreeable weather should bring fulfillment of the maximum crop estimate.

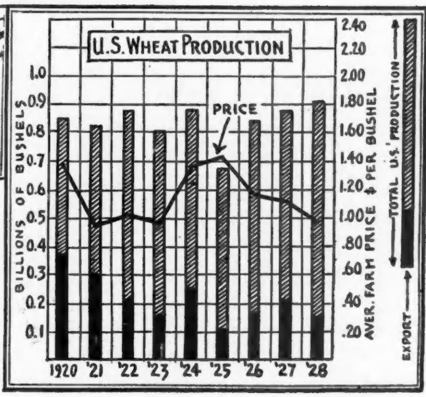
The current firmness of the corn market is undoubtedly sympathetic to the high wheat rates, but nevertheless there is an independent undercurrent of strength due to the better cash demand for corn. The country movement has been very small and the visible supply has been lowered 1½ million bushels from the volume at this time last year, so that approximately no more than 10,400,000 bushels can be counted just now. Furthermore, hogs are bringing higher market rates. These developments are giving the corn farmer ample opportunity this year to build up excellent profits, both through the grain and livestock.

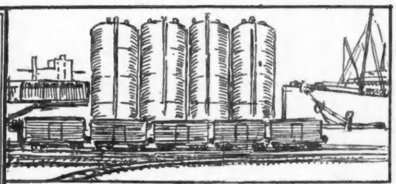
Corn being the most universally adaptable staple, is grown throughout the country. It is of especial importance, however, to the middle western states of Minnesota, Iowa, Missouri, South Dakota, Nebraska and Kansas where corn and hogs are the foremost agricultural products. Higher levels of buying power throughout this great belt cannot but be translated into increased sales for nearly all business lines, but of course the agricultural implement companies will be the particular ones to benefit.

These companies showed 10 to 20 per cent sales expansion in the first quarter of this year but this record was seriously impaired in the June quarter. Present indications, however, have renewed confidence that particularly good annual earnings reports will be shown by International Harvester Company, Deere & Company, J. I. Case & Company, tractor companies and others in allied lines.

Prosperity Rises from Wheat Scarcity







ALL kinds of records, except production, are being made this season by wheat. Almost unprecedented shipments of the breadstuff staple are piling up unusual visible supplies for this time of year and reducing the carryover to exceptionally low volume while an export demand of largest proportions will probably have to remain unsatisfied due to an extraordinarily pinched surplus. And all because nature has been shifting her various attributes in such wild abandon this season that indicated crop losses of sensational character have boosted prices to new high levels for this year and induced a speculative fervor the like of which hasn't been seen for a quintet of years.

A large share of this good fortune, however, is being garnered by the winter wheat farmer, who had a fairly good crop, better than the average, but which would have brought much less cash return if it had not been for the drastic cut in the spring wheat yield. So crop profits, as unexpected as they are welcome, are already flowing into farmer pockets, thereby automatically improving his economic status. And the spring wheat farmer is also finding his salvation in the fact that, although he has virtually but two bushels this season where he had three last year, he will get quite a bit more for his two than he did for his three.

Mid-summer high prices, working up sharply 50 to 55 cents a bushel since the first of June, drew into the market a greater volume of old and new wheat in a shorter space of time than has ever before been witnessed. In the short span of 14 days 30,000,000 bushels were added to the visible supply, boosting the accumulation for the two months since June 1st to 41,000,000 bushels. The aggregate supplies at all commercial points, in transit on lake and canal, in all stages of transportation on the railroads and choking terminal points awaiting acceptance by the elevators, amount to 156,013,000 bushels, a new peak for all time and nearly 18,000,000 above the former high of 138,091,000 bushels recorded November 16th, 1918. And last year at the same time the visible supply was but 72,055,000 bushels. We have, therefore, an accretion of nearly 117 per cent.

The high prices mirror the heavy shrinkage in the indicated production brought about by drought and insect incursions. The consensus of expert opinion hovers about 560,000,000 bushels as the harvest of winter wheat, comparing with 578,964,000 last year and a five-year average from 1923 to 1927 of 549,000,000 bushels. Most of the decrease occurred in Kansas, Nebraska, Oklahoma and Colorado.

The Northwest has been particularly hard hit by the drought and especially has the spring wheat crop suffered. Observers say that this crop will be severely slashed this year, their average forecast being around 207,000,000 bushels as against last year's threshing of 323,785,000 and a five-year average of 260,000,000 bushels. The major losses were inflicted upon the Dakotas, Montana and Minnesota.

The total wheat crop, then, may be set at 767,000,000 bushels. This is a reduction of more than 135,000,000 bushels from last year's harvest and 42,000,000 below the average for the five years prior to that.

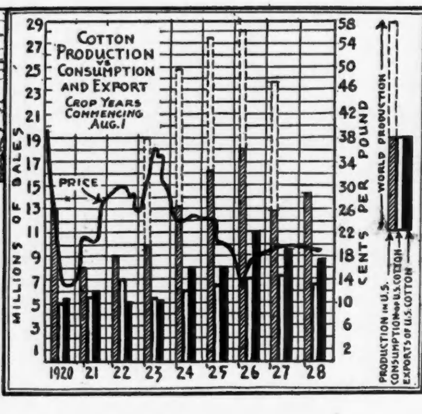
Virtual failure of the Canadian wheat crop, brought about by the heat's terrible toll of possibly 300,000,000 bushels, has had not a little to do with creating such a strong bullish position for the American staple breadstuff. Whereas Canada produced last year 508,000,000 bushels, the final outlook for this season wavers between a hoped-for 250,000,000 and a possible 200,000,000 bushels. Argentina and Australia are also afflicted by the drought and latest reports from European grain countries place their crops at slightly lower volume than last year with the exception of Russia, whose cereals index, on the basis of 100 as an average crop, is given as 111.

It is beginning to look as though there won't even be enough left in the world's wheat bins this year to keep a mouse alive. Last year the world crop bulked 3,816,000,-

000 bushels. This year's indicated yield is somewhere near 3,150,000,000, which, including the carryover, places something like 3,500,000,000 available for a consumption that has averaged 3,640,000,000 bushels in the four previous years, all figures being exclusive of Russia and China. This is the smallest since 1924 when total supplies were about 120,000,000 bushels under this season. It will be recalled that wheat sold at $2.05 in Chicago when the 1924 acute shortage developed. If we take into consideration the normal average annual increase in consumption of 70,000,000 bushels, we might well expect to see the world going hungry to the extent of considerably more than 200,000,000 bushels.

When this gigantic breadstuff lack gets out of the hypothetical into the realistic stage, $2 wheat may become a minimum prediction. However, taking that rate as a basis, the aggregate money value of this year's crop appears to be $1,534,000,000. This is a huge advance over last year's harvest which had a worth of $877,193,000, based on the December 1st rate of 97.2 cents per bushel. This tremendous purchasing power, allied with the cash income from the corn crop of probably $2,850,000,000 and the cotton returns of possibly between $1,500,000,000 and $1,750,000,000 broadcast throughout this country has wide and favorable business implications. Larger buying power means increased merchant sales and great potentialities for the mail order houses. Sears, Roebuck and Montgomery Ward should show substantial expansion in their earnings in the last quarter of this year and the first three months of 1930. On the other hand, the so-called granger railroads, Northern Pacific, Great Northern and Chicago, Milwaukee, St. Paul & Pacific, with Chicago & North Western to a limited extent, will reflect a marked decrease in haulage of crops due to the drought throughout the Northwest, although the higher prices for agricultural products will give them, in common with all roads deriving a considerable percentage of their traffic from farm sections, a back-haulage of manufactured goods that may more than offset the diminished crop traffic. The drying up of the Canadian crop is somewhat of a handicap to the Canadian National and the Canadian Pacific roads as well as to the general commercial welfare of our northern neighbor.

Weather Versus Boll-Weevil



THE cotton belt of America today is probably under closer scrutiny by the spinners of the world than at any time in the history of this great crop staple. The irregularity of the weather covering the far flung reaches of an acreage that, this year, is the second largest on record and its effect upon the maturity of the plant has already placed the cotton crop on a most uncertain volume basis. But the most vital concern is just how much damage is the weevil doing. And these two factors, the weather and the weevil, are keeping everybody guessing this year, more than ever.

Sufficient rain to prevent a drought but enough heat and dryness to keep the depredations of the weevil down to a minimum might bring a bumper crop, but too much rain and a paucity of hot days suits the ravenous insect to a T and the crop would suffer to the tune of a million bales or more. A period of six weeks will settle the issues as to the size of the crop and the probable future price. This month of August will largely determine the extent of the weevil's ravages and the following two weeks will complete the work of the weather, whether it be a toll of many hundreds of thousands of bales or assistance in bring through a harvest that might under most favorable conditions run two to three millions in excess of last year's yield.

These uncertain conditions are tending to keep the buying of cotton down to a minimum. The spinners at home and abroad are loath to pay current prices so long as they feel that there is any prospect of a bumper crop. They are wary of getting caught again, after their experience in the record crop of 1926 when their prematurely heavy purchases turned out to be four to six cents above the later market levels.

It was the hot and dry weather of August, 1926, that headed off the weevil and so gave the victory to the plant in the annual race to maturity. When the result is in the hands of the boll insect there is no appeal: the weevil is the final arbiter.

A very deceptive element is embraced in this year's picture. One is apt to be misled by the minimum damage done by the weevil last season, due chiefly to the confinement of the devastating insect to a comparatively small area, in about the southern third. This year, however, reports indicate a much more extensive infestation, leaving only the northern third, or less, in any measure free from damage contingencies. Whether this present high percentage of possible damage will become an actuality depends entirely upon the weather.

Planting this year covers 48,457,000 acres, about 3¼ per cent more than last year and only 273,000 acres less than the peak year of 1926. Of course, acreage means little in itself if the weevil cuts the yield per acre to a low poundage. Three years ago the high record yield of 182.6 pounds gave a total output of almost 17,900,000 bales from 48,700,000 acres. In 1927 a yield of 154.5 produced 12,955,000 bales from 40,138,000 acres. Last year an acreage of 45,326,000 netted no more than 14,373,000 bales since the yield was reduced to 151.8 pounds. In the past ten years the yield has fallen as low as 124.5 pounds per acre but the average has been 155.1 pounds.

Thus we have a maximum possible 1929 cotton crop of slightly under 17,700,000 bales against an average indication of a little more than 15,030,000 bales. The Government prediction of 15,543,000 bales on a crop condition on August 1st placed at 69.6 per cent of normal, makes allowance for probable loss due to the boll weevil in accordance with the situation in 1927, when the insect inflicted a reduction of 18.5 per cent.

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¶ Revolutionary Changes in Construction, The Demands for Rebuilding, New Modes of Financing

¶ Are Your Real Estate Investments of Permanent Character?

Real Estate Investing in a New Age of Building

By Gilmore Iden

THE popular conception that real estate affords the most permanent form of investment is due largely to misapplied propaganda. When carefully analyzed we might be shocked to find how unstable it frequently is. This does not mean that real estate investments, in the main, contain any water or are inflated in value. But we must recognize the fact that improved real estate is constantly being threatened by obsolescence.

New architectural design, improved facilities in both office and home, new industrial demands on the factory, result in rapidly changing values. Many real estate experts today estimate that the normal life of a city skyscraper is but twenty years. The other day the Tacoma Building, in Chicago, the first tall multiple-story building erected in the world on the skyscraper principle, was torn down. Yet it was but little more than forty years old. In New York today skyscrapers not twenty years old are being demolished to make room for improved structures.

Term Value Such a trend in the construction industry certainly must impress the investor with the necessity of making more of a study of the term value of the loan made on real estate. There are a few investment experts, it is true, who do make a study of this matter but they are employed by special lenders and their advice is not always at the command of the public. Today securities of many outstanding buildings are being brought out by investment bankers. Wall Street is actively competing with the realty investment houses for such issues and the public is being invited by both classes of financiers to invest. It is consequently time that some of the fundamental facts regarding real estate stocks and bonds be given closer study.

© Irving Trust Co.

New Irving Trust Building at 1 Wall St., New York City, now under construction

In New York about 90 per cent of the buildings are speculative, that is, in the sense that the promoter seeks his money from the general public and constructs upon the chance that he will obtain occupancy for the structure once it is erected. Only about 10 per cent of the buildings represent a direct investment on the part of those who need accommodations for their own businesses. This same tendency is recognized to a limited degree in most other cities of the United States. In the smaller localities, of course, the important structures are most always the result of direct investment in which the public is not invited to participate.

Large Scope of Investment Speculative building provides extensive scope for the purchase of real estate securities by the public. Although residence construction is often done on a commercial basis, homes being built in groups by operators, such work is usually financed by special companies who underwrite the risk only for the period the houses are on the market. The public has little opportunity to participate in such undertakings except indirectly. On the other hand, bridge-building has grown to such proportions since the popular acceptance of the automobile, that governments and municipalities cannot construct them fast enough to meet popular demand. Consequently numerous toll-bridge companies have come into existence and the securities of these are finding their way into the possession of the public.

Industrial building, being undertaken for specific corporate use, is practically always for the account of a direct investor. The public is concerned only through the ownership of securities of the industrial companies involved. This fact should be kept in mind when making any analysis of the building industry, just as we should differentiate between buying lots in an undeveloped community for speculation, and buying bonds in a building operation. Improved real estate of the speculative type is the common security for real estate

investments of the kind in which the general public is normally interested.

Speculative But Not Risky

A building operation may be called speculative, and yet not be at all risky. As a matter of fact there are few such operations which find their way into the bankruptcy courts. And even when a skyscraper is sold at auction, as may occasionally be the case, the public is pretty well protected by reason of the wide margin between bonded indebtedness of the building and equities held against the second or third mortgages. But that wide margin, necessitated to make this security, is one of the elements which tends to check the rate of building and to hold back the improvement of real estate which could be made to earn still larger revenues.

Insofar as real estate values may be considered permanent we must recognize the liability of a frozen investment. It is not the American habit to permit anything to become "frozen," and therefore realty should be allowed to take full advantage of increasing population and growing values. Improved real estate can take advantage of that change, that law of obsolescence, only insofar as rebuilding operations are encouraged. But the rapidity with which rebuilding is necessary is the exact measure of the impermanence of real estate investments.

Obsolescence and Values

A casual survey of the building operations in any large city will readily disclose the general tendencies in the changing values. Certain areas will stand unaltered in general appearance for a period of years, until surrounding areas are rebuilt with more modern structures. These improved surrounding areas will increase the ground values in the older sections until it becomes profitable to demolish the older structures and build newer, more convenient buildings which will command greater rentals. We call this obsolescence, and it is the one factor which prevents a loss in real estate values and which permits the successful refinancing of those values every twenty years or so.

Large lenders on improved real estate rarely figure the permanency of the building into the values. They lend only for a period of a few years. As a matter of fact a building loan may extend only a year or two beyond the completion of the building. Certain insurance companies at one time gave loans for no more than five years. Today, however, due to the recognition of the gradual enhancement in land values in a progressive city, these lenders may let out their money on buildings for a period as long as fifteen years. This should give a safe measure of the term of security for the investment of the public's money. But the analysis of the safety of a real estate loan should not be limited by these fundamental facts. The business is becoming so complicated in its operations and the new forms of investments thereon so general in its terms that the man thinking of buying a real estate stock or bond should post himself as to the economic factors surrounding the industry.

This Year's Record

According to building reports, construction totaled less than 440 million square feet during the first six months of 1929. Although this was a substantial record it was approximately 14 per cent below that of 1928. The building industry is prone to make its comparisons with only that which has gone before and consequently there is a tendency to look upon the works of the current year as somewhat disappointing.

Of course it is true that higher interest rates frequently prevailing on stock loans have drained funds away from other activities. Where building offered the smaller return on the investment, it was natural to expect building to suffer. But has it suffered?

Consider the rate at which construction work has been going forward within the past few years. According to the statistics of the F. W. Dodge Corporation building contracts awarded during the first six months of 1929, compared with the awards during the same six months of the four years previous, were as follows:

1925	$2,748,695,000
1926	3,154,158,000
1927	3,187,993,000
1928	3,444,868,000
1929	3,031,547,000

The current record is well above the level of 1925. In the meantime we have witnessed considerable building and a complete recovery from the housing shortage with which the World War left us. The incentive to build after 1921 started a speculative wave that was difficult to check. The removal of all legislative restrictions on rentals, as economic conditions began to stabilize, gave further incentive to speculative building. This was expressed in notable gains in residential construction. House-building gained such proportions that many fragile structures were thrown upon the market.

A Stabilizing Check

The present check in building operations, if it could be called a check, is tending to stabilize the investment values which have arisen during the past five or six years. High interest rates, if actually checking speculative building, should react favorably upon realty investments as it will permit demand to catch up with supply and normalize the rental market.

Moreover, it should be noted that it is the falling off in the construction of small homes which represents the greater part of the current decline in contracts. Other building operations, those which are upon sound investment basis, are going ahead at the usual rapid rate. Commercial and industrial buildings, public works and utilities provide the bulk of the work.

There is a marked discrepancy in the quantity of all projects contemplated and the projects for which contracts have been let. The difference is at least $1,800,000,000 for the first six months of 1929. At the beginning of the year, a careful survey of the outlook showed that the construction projects planned would have made building of this year greater even than that of 1928.

Activity in Prospect

Over 92,000 projects were contracted for during the first six months of 1929, and over the same area we have record of more than 110,000 projects contemplated. There remain today, consequently, some 20,000 contemplated projects for which contracts have not yet been let.

High interest rates are therefore more likely causing a delay in the operations than any abandonment of projects of cessation of activities, as a matter of fact, a definite easing in the trend of money rates, such as must be anticipated before very long, will undoubtedly signalize a renewed impetus in all lines of construction, carrying the total for the year to higher levels and connoting greater activity to all companies associated with building and building materials.

Indeed it might even be questioned whether recent operations have not already anticipated the prospect of greater activity. The value of contracts let in July were the second largest monthly total on record, being more than 20 per cent ahead of the preceding month. While a single month is too brief a period to signify any extensive change in trend, these recent figures are at least an important indication of what may be expected. It is a favorable augury for the building industry and for business in general.

New Trend of Construction

Construction is far more sensitive to investment trends than many other lines. This is due largely to the fact that buildings must be mortgaged and bonded before investment money can be attracted thereto. It is due to the fact that lenders on improved real estate have set up certain precedents which are hampering and prohibit the funding of construction operations upon an equable basis. We still remember the speculative builder and the speculative owner who intends to turn over the property before it begins to age, and the lender who withdraws his assistance after the first three years.

Under the old conditions buildings had to earn their margin of profit almost as soon as they were completed, otherwise they were considered financial losses. To place construction upon a stable foundation this must be largely changed and a better appreciation of building values disseminated to the public which is willing to lend upon such ventures.

We recognize a few signs of this awakening. Industrial minds are giving the problem some thought and economists are making some important analyses. Out of this should come important changes. Some few of them might be cited.

In the first place the country is about to witness the manufactured residence. This was first disclosed last winter when the feasibility of manufacturing a residence unit like we manufacture automobiles at present, was discussed. These would be shipped to the location and "buttoned" together. Now that we have experimented with steel framing for residences for about four years, the practicability of home manufacture has been demonstrated. A house unit will shortly be placed on the market, ready-built and completely financed so as to appeal to the most modest income.

Throughout the country, in the suburbs of most of the important cities, steel-framed residences are being constructed for demonstration purposes. The sale of such residences is upon a "companionate" basis. The manufacturers supplying the different materials going into their construction are closely allied. The old style of speculative builder, being unwilling the embark upon what appears to him as a "strange" venture, refuses to handle the proposition. So an operating organization allied to the producers had to be created to construct such residences

What will be the outcome is too early to say. Nevertheless it is interesting to watch the operations of these "companionate" erectors and these home manufacturers. They both represent a new influence in the building industry, which may shortly work a complete change in the outlook.

More Economy and Safety

A second indication of an awakened consciousness of the possibilities of improving building finance is recognized in the trend toward better and more secure materials. While we have been regaled with the decline in building records during 1929, we should not

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Representative Companies Associated With Building

Company	1928 Earnings per share of common	1929 Earnings 1st 6 mos.	Recent Price	Div. $	Yield	COMMENT
American Radiator—Standard Sanitary	2.32	NR	48	1.50	3.10	Leading factor in its field. Pushing an aggressive expansion program.
Celotex Co.	A6.55	NR	56	3.00	5.40	Inventory adjustments have reduced earnings but sales pushing steadily ahead.
Certainteed Products Co.	D2.22	D10.56	PR29	...	...	Has suffered from severe trade war, but outlook has improved moderately.
Devoe & Raynolds	B5.95	C2.90	48	3.00†	6.30	Important manufacturer and distributor of all kinds of paint. Earnings show steady upward trend.
Foundation Co.	3.10	NR	44	...	...	One of world's largest construction companies. Earnings lower in past two years, but improvement in sight.
International Cement	7.90	3.50	77	4.00	5.20	Earnings continue satisfactory despite competition. Activities show steady expansion.
Johns-Manville	6.75	3.70	185	3.00	1.60	Leading manufacturer of roofing and other asbestos products. Earnings sharply upward.
Long-Bell Lumber	E3.26	ET3.40	25	...	...	Earnings handicapped by company's heavy capital structure. Moderate improvement likely this year.
Otis Elevator	16.09	7.18	380	6.00	1.60	Largest manufacturer of elevators and equipment. Operations world-wide and very prosperous.
Libby-Owens Glass	F5.68	NR	165	4.00	2.40	Competition has reduced profits. Conservative policies have enabled company to hold its own.
U. S. Realty	G7.78	NR	89	5.00	5.60	Important factor in construction and owns a number of important buildings. Earnings have shown consistent gains.
Yale & Towne	4.89	2.71	83	4.00	4.80	Prominent manufacturer of building hardware. Earnings are recovering from recent slump.

PR—Preferred stock. A—Fiscal year ended Oct. 31st, 1928. B—Fiscal year ended Nov. 30th, 1928. C—6 months to May 31st, 1929. D—Deficit. E—Earned on "A" stock. F—Fiscal year ended Sept. 30th, 1928. G—Fiscal year ended April 30th, 1929. NR—Not reported. † Including extras. T—Before taxes.

Mid-Year Dividend Prospects in Leading Groups of Stocks

Part II: Steel, Mining and Metal, Petroleum, Motors, Accessories, Merchandising and Specialties

THE Mid-Year Dividend Forecast has always been found valuable to our subscribers and readers, for it covers not only the dividend prospects for the leading companies in which there is large investment interest in each industry, but, in addition provides, by rating, a definite estimation of the market position based on the outlook for the industry, the position of the company in that industry and the intrinsic merit of its securities as well as their relationship to current market price.

For several reasons this compilation is perhaps unusually timely and helpful. The market is continually growing more selective and newly achieved high figures for individual issues are not only disturbing former standards of value but also adding to the difficulties of intelligent investing. In addition numerous dividend changes are impending. The first half of the year has been a period of high corporate prosperity and a fair portion of improved earnings have already been translated into more liberal dividend payments, but this does not complete the picture. Business in general has not tapered off to the degree commonly anticipated. Summer dullness in many lines has been exceedingly mild, so mild in not a few industries as to be imperceptible. The profit position of agriculture is improved, purchasing power of the country is thereby heightened and fall conditions in the majority of basic lines are viewed with increasing optimism. Hence if business sustains the earning level established in the first six months there is reason to expect a fair proportion of upward revisions in dividend rates.

It seems desirable to emphasize the point that our ratings of dividend possibilities are intended to point out *possibilities* rather than *certainties*. Although statistical proof may be offered of dividend action that may be logically expected, there is always an element which can never be forecast in advance and that is the attitude of the management toward changes in the dividend rate. A company may be in a position to raise or lower the dividend, but such action, though inherently logical, may be postponed long after it might be expected in view of special circumstances that might arise and thus influence the management's viewpoint. In this dividend forecast, we have noted only the possibilities although such dividend action as presented, should materialize.

The tables are designed therefore with an eye toward indicating dividend possibilities in the first place, and market possibilities in the second. These ratings are based on investment rather than speculative considerations, although the latter have been taken into account in special cases.

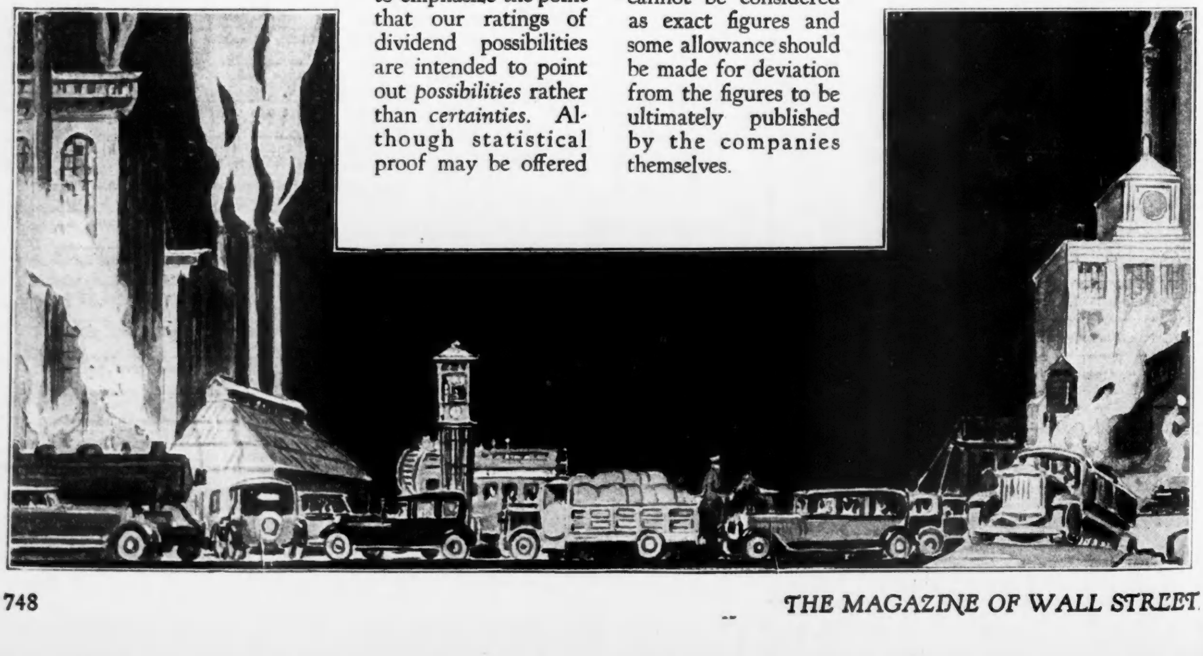
A-1 Should eventually be worth more on intrinsic value

A-2 Sound investment holdings with limited attraction on current price basis

B-1 Issue has inherent merit but occupies speculative position at present

B-2 Stock occupies uncertain speculative position

Wherever the figures have been available, we have indicated earnings for the first six months of 1929, in other cases they have been estimated. Such estimates, of course, in the nature of things cannot be considered as exact figures and some allowance should be made for deviation from the figures to be ultimately published by the companies themselves.



Steel Industry Holds to Swift Pace

Record Peace Time Earnings

EXCEPT for the abnormal war years, the steel industry has enjoyed no other period of prosperity comparable to the current year. Earnings reports for the first half of 1929 are mute evidence of the phenomenal and insistent demands made upon the mills. Despite the great expansion in plant copacities which accompanied and followed the World War, and which, for t number of years, constituted a menace to profits, the steel industry has been pressed to keep up with orders. Even the traditionally dull summer months have failed to produce the accustomed slack. While the disappearance of the once inevitable slump in 1928 might have been construed simply as exceptional, its repeated omission in the current year has undoubtedly gone a great way toward enhancing investment interest in the steel stocks, since the former violent cycles of activity and depression were conducive to wide variations in earnings and hence to erratic stock price movements.

It is doubtful that the highly gratifying profits of the first half year will be fully equalled in the second six months. But even so, the leading companies will have shown extraordinary per share income. Shareholders have already participated to some extent in this prosperity, but the chances are that additional dividend increases will be written into the 1929 history of the industry before the year closes.

Of late, the steel mills have eaten into accumulated, unfilled orders, and production has eased off somewhat from the second quarter peak. There has been nothing to suggest a sufficient reduction in consumption, however, to indicate price competition among the steel producers or the necessity for encouraging fresh business by extensive shading of quotations.

The two principal factors contributing to the excellent earnings of the first half, namely, capacity, or near-capacity operations, and a stable price level, seem likely to remain operative for the balance of the twelve-month. Accordingly, while per share earnings may not be sustained at the same high level, the stronger companies now seem likely to duplicate, in some instances, exceed the showing made during the last half of 1928 in any event.

Position of Leading Steel Stocks

Company	$ Earned per share 1928	$ Earned per share 1st 6 mos. 1929	Price Range 1929 High	Price Range 1929 Low	Recent Price	Div. Rate	Yield %	Market Rating	COMMENT
Am. Rolling Mill	5.39	nf	134	106	125	P2	1.6	A-1	Policy of supplementing cash payment with stock div. likely to be continued.
Bethlehem Steel	6.52	7.21	125	82	124	6	4.8	A-1	Increase in rate to current $6 level does not seem to have exhausted ultimate possibilities.
Byers, A. M.	s5.76	N3.90	192	122	125	—	—	B-1	Operations apparently not yet on basis to justify expectation of early dividends.
Central Alloy Steel	3.24	nf	56	40	52	2	3.8	A-2	Earnings tending in direction to permit moderate increase in current rate.
Colorado Fuel & Iron	2.50	3.83	78	56	69	—	—	B-1	Inconsistency of earnings performance renders dividend prospect uncertain, despite current upward trend of net.
Crucible Steel	7.06	E6.05	110	85	110	5	4.4	A-1	Management has indicated intention to disburse stock div. which will doubtless be paid in not distant future.
Gulf States Steel	6.28	3.49	79	55	71	4	5.6	A-2	Could, conceivably, pay more, although possibility of increase not clearly defined at present.
Inland Steel	7.63	5.11	98	78	95	3.5	3.7	A-1	Eminently well situated to give stockholders more substantial share in profits.
Ludlum Steel	4.34	nf	108	66	100	2	2.0	B-1	Showing satisfactory earnings trend, but early change in div. rate appears doubtful.
Michigan Steel	4.77	E5.35	122	85	110	2.5	2.2	B-1	Current earnings at levels indicating ability to increase disbursements.
Newton Steel	6.13	5.50	113	93	101	3	2.9	B-1	Div. earned nearly twice over in first half. Could readily pay more.
Otis Steel	3 16	2.94	51	37	46	—	. .	B-1	Will probably join ranks of dividend payers before long.
Republic Iron & Steel	4.18	6.42	115	79	110	4	3.6	A-2	Substantial gain in profits foreshadows div. increase in due course.
Sloss Sheffield	6.11	nf	125	57	57	—	—	B-1	Div. recently passed as result of severe slump in earnings. Prospect for early resumption not very promising.
Superior Steel	0.29	1.58	73	34	40	—	—	B-2	Moderate disbursement possible in view of current earnings, although by no means certain.
Transue & Williams	2.26	2.88	53	41	48	1	2.1	B-1	Financial position would readily permit passing higher earnings along to common shareholders.
U. S. Pipe & Foundry	1.46	0.59	55	27	28	2	7.1	B-1	Experiencing slump which renders present dividend outlook somewhat uncertain.
U. S. Steel	12.50	11.72	220	163	220	7	3.2	A-1	Seems merely question of time before stockholders receive greater participation in net in some form.
Vanadium Corp.	4.53	3.12	116	68	80	4	5.0	A-2	No change probable, pending development of chemical division of company's activities.
Va. Iron, Coal & Coke	def	def	25	20	21	—	—	B-2	Common dividend prospects nebulous at best.
Warren Fdy. & Pipe	0.06	E0.50	34	15	17	—	—	B-2	Unpromising prospect in view of low earning capacity shown to date.
Youngstown Sh. & Tube	9.54	10.12	160	105	155	5	3.2	A-1	Recent payment of 20% stock div. probably represents optimum expectation for a time.

P—Plus 5% in stock. E—Estimated. nf—Not available.. s—Year ended Sept. 30. N—Nine months ended June 30.

Stable Conditions for Mining and Metals

FROM earning statements submitted for the first half of the current year, the non-ferrous metal industry generally has experienced a prosperous period. This is particularly true of the copper companies who naturally benefited from the tremendous demand for the metal together with a price which was the highest since the war. From the sixteen-cent level, the price spurted to twenty-four cents per pound, but this price was largely nominal, not much business being transacted as most of the large domestic consumers had covered their requirements at considerably lower levels. From the peak in April, the price dropped sharply to eighteen cents at which level it is still being maintained.

The increase in the output of copper, however, began to outstrip the demand and although many of the large producing companies have curtailed output as much as 15%, stocks of copper have been accumulating since April. Should this trend continue, it is probable that the price for the metal will drop further. Even with reduced production, however, copper companies should show better earnings for the third quarter than the two previous quarters.

Lead and zinc prices, as in the case of copper, advanced sharply during the first quarter and although reacting from the peak are still considerably above the prices prevailing last year. Output also has been increased and as a result earnings for the first six months showed large increases over the corresponding period last year. Supplies of both of these metals, however, have been accumulating in recent months and producers are curtailing to some extent. Current earnings are continuing good and the situation is still satisfactory.

With mixed trends current in the various branches of the metal industry, discrimination in making commitments is of paramount importance and in an effort to guide in the selection, ratings have been given to stocks in the table.

Position of Metal and Mining Stocks

Company	Earned per Share 1928	Earned per Share 1929 6 mos.	Price Range 1928 High	Price Range 1928 Low	Recent Price	Annual Dividend Rate, $ per Share	Cash Yield %	Market Rating	COMMENT
American Metal	$3.58	$1.72	81¾	50	71½	3.00	4.2	A-2	Earnings indicate no advance in dividend in near future.
American Smelting	8.24	5.00(e)	124¾	93⅛	116	4.00	3.4	A-1	Policy of company conservative, but large earnings warrant higher dividend.
Anaconda	6.62	NF	140	99	119	7.00	5.9	A-1	Earnings running higher than last year, but no increase in dividend is looked for.
Calumet & Arizona	8.12	5.53(a)	136¾	123	128	10.00	7.8	A-2	Dividend increase not probable.
Calumet & Hecla	1.55	1.82(b)	61⅞	36⅜	44	4.00	9.1	A-2	Will maintain present rate if copper continues at about current prices.
Cerro de Pasco	5.12	NF	120	88⅜	96	6.00	6.2	A-1	Dividend will probably remain at present rate. Company using funds for further development.
Dome Mines	1.57	1.27(a)	11⅛	8¾	10	1.00	10.0	B-1	Dividend none too well assured, and depends on development of new ore bodies.
Granby	6.60(a)	4.67(a)	102⅞	62⅛	80	7.00	8.7	A-2	Present dividend depends on continued good conditions in the industry.
Greene Cananea	3.95	NF	197⅝	136⅛	177	8.00	4.5	A-2	Policy of company liberal, and further increase in dividends will probably be made as earnings warrant.
Homestake	5.86	NF	76⅞	72	76	7.00	9.2	A-2	Regular and extra payments from profits likely to continue.
Howe Sound	5.34	4.07	82½	56⅛	64	4.50	7.0	A-2	Higher dividend probable in view of the company's continued good earnings.
International Nickel	0.35	0.74	72¾	40⅛	52	1.00	1.9	A-2	Larger dividends as development of huge new ore bodies proceeds and earnings increase.
Inspiration	2.93	NF	66¾	38⅛	45¼	4.00	8.8	B-1	Current dividend rate largely dependent on continuance of present good conditions.
Kennecott	5.01	NF	104⅞	77⅝	87	5.00	5.7	A-1	Expansion into fabricating lines lends further stability to earnings. Further increase possible in view of good earnings.
Magma	4.78	4.42	82½	60	68	5.00	7.3	B-1	Earnings on present copper market warrant increase, but costs of company rising.
Miami	2.46	NF	54½	30⅛	43	4.00	9.3	B-1	Dividend covered by fair margin on present level for copper.
Motherlode	0.42(a)	NF	6½	3	3¼	0.40	12.3	B-2	Production dropping off rapidly with mine exhaustion. Uncertain future.
National Lead	11.44	NF	173	132	147	5.00	3.4	A-1	Company's policy ultra conservative, but could easily pay higher rate.
Nevada Consolidated	3.13	1.33 3 mos.	62⅞	39¾	46	3.00	6.5	A-2	Costs are steadily being lowered. Higher distribution depends on price for copper.
Newmont Mining	15.52	NF	233⅞	187⅛	213	4.00(c)	5.9	A-1	Earnings for first six months, 1929, higher than total for 1928.
Patino Mines	3.78	0.67 3 mos.	47¾	34⅛	40	3.89	9.7	B-1	Depressed condition of tin markets indicates lower earnings, and dividend disbursement may be reduced.
St. Joseph Lead	2.30	NF	94	59½	68	3.00	4.4	A-2	Large development projects should enhance earnings soon.
U. S. Smelting	6.82	2.19 5 mos.	72⅞	48	54	3.50	6.5	B-1	No increase in dividend likely this year.

(a) Before depreciation and depletion. (b) Before depletion. (e) Estimated. NF—No figures.
(c) Plus 5% in stock.

Near Future of Oil Hangs in Balance

California Restriction Policy May Turn Scales for Better

FAVORABLE and unfavorable factors affecting the outlook for the oil industry are now in a delicate state of balance. On the one hand, the production of crude oil is still climbing. Inability to hold output within bounds constitutes a menace first to the present price structure of the crude oil market and second, through the latter, to the stability of gasoline.

Heretofore, the constant expansions of demand for refined petroleum has held the general price level in line, although, of course, the disparity between crude oil and gasoline has worked serious disadvantage to the producing companies at the same time that the refiners have garnered a harvest.

Efforts of the conservationists to bring about a much needed control of the producing end of the business have thus far been productive of few tangible results. Perhaps it is too much to expect an early reconciliation of all the conflicting elements in the industry. But the fact that several conferences have been held probably should be viewed as a more hopeful indication than the comparatively deflated oil share market would suggest. The fact that the

(*Please turn to page* 807)

Position of Leading Petroleum Stocks

Company	Earned per Share 1928	Earned per Share 1st 6 mos. 1929	Price Range 1929 High	Price Range 1929 Low	Recent Price	Div. Rate	Yield %	Market Rating	COMMENT
Amerada Corp.	$2.40	$0.39	42	22	26	2	7.7	B-1	Strong cash position but slump in earnings renders div. outlook uncertain.
Atlantic Refining	7.72	3.06	77	53	70	†2	2.9	A-2	Earnings would readily permit higher div. rate.
Barnsdall Corp. A	2.25	1.83	49	33	40	†2¼	5.6	A-2	Policy of paying extras seems likely to be continued.
Cities Service	J1.28	J1.13	48	28	46	S0.3	6.7	A-1	No early change in prevailing div. rate in prospect.
Continental Oil of Del.	nf	nf	37	28	37	—	—	B-1	Dividend outlook obscure and not especially promising at present.
General Asphalt	2.78	1.41	94	61	93	—	—	B-1	Earnings improved but div. outlook not clearly defined.
Gulf Oil Corp.	8.06	nf	202	142	201	1.5	0.7	A-1	Further stock divs. probable in course of time.
Houston Oil	5.11	2.04	109	68	69	—	—	B-2	Competitive condition militates against payment of divs.
Humble Oil & Ref.	6.51	nf	126	89	125	†2	1.6	A-1	Dividend prospects promising from longer term standpoint.
Independent O. & S.	5.29	2.63	39	29	33	2	6.1	B-1	No indication of nearby change in current rate.
Lago Oil & Tr.	0.51	nf	38	26	33	—	—	B-1	Div. unlikely pending further development of earning capacity.
Mexican Seaboard	def	E nil	69	33	40	—	—	B-2	Dividend outlook remains obscure.
Mid-Continent Pete.	2.45	B3.22	39	30	36	2	5.9	A-2	Current rate reasonably secure, no change anticipated.
Pan Am. Pete. & Tr. B	3.00	nf	66	40	64	—	—	B-1	Irregular earnings in late years likely to postpone div. resumption.
Panhandle P. & R.	nil	E nil	15	7	7	—	—	B-2	Div. possibilities negligible in light of unsatisfactory earnings performance.
Phillips Petroleum	2.48	B-3.53	47	35	40	1.5	3.7	B-1	Current rate appears well within earning capacity.
Prairie Oil & Gas	4.34	nf	65	50	58	†2¼	3.9	A-2	Divs. recently resumed at rate of $2 plus extras.
Prairie Pipe Line	4.89	nf	61	53	60	†4	6.7	A-1	Prevailing rate will probably be maintained.
Pure Oil	m0.97	m3.07	30	23	27	1.5	5.9	A-2	Possibility of moderate increase in present rate.
Richfield Oil Co.	4.65	2.03	49	38	43	2	4.7	B-1	Earnings would seem to justify small increase.
Rio Grande Oil	1.37	2.49	42	25	30	P2	9.7	B-1	Maintenance of current earnings would suggest continuation of present div. policy.
Royal Dutch	3.32	nf	55	49	50	3.2	6.4	A-2	No definite rate established, but probably will continue close to current rate.
Shell Union Oil	2.04	nf	31	25	28	1.4	5.4	A-1	Upward revision more longer term than nearby probability.
Sinclair Consol.	2.21	nf	45	31	39	†2.5	6.1	A-1	Rate, including extras, appears liberal. Further increase doubtful for present.
Skelly Oil	3.76	2.93	46	32	43	2	4.7	A-1	Continuation of recent earnings trend would readily admit higher rate.
Standard of Calif.	3.66	nf	81	64	77	†3	3.9	A-1	No early change indicated.
Standard of Ind.	O5.55	nf	63	51	57	2.5	4.4	A-1	Immediate change not anticipated, although increases probable over longer term.
Standard of N. J.	4.43	nf	73	48	70	†2	2.9	A-1	Increased cash, or stock div., a possibility.
Standard of N. Y.	2.28	nf	45	37	43	1.6	3.9	A-1	Higher rate not unlikely; appears matter of time.
Sun Oil Co.	3.64	2.68	76	57	74	S1	7.4	A-2	No change indicated.
Texas Corp.	5.34	nf	68	57	65	3	4.6	A-1	Div. rate conservative, good prospect for increase eventually.
Texas Pac. C. & O.	0.25	B1.09	23	15	17	T2.5	2.5	A-2	No regularly established rate. Div. outlook not well defined.
Tidewater Associated	2.01	0.56	23	17	20	—	—	B-1	Divs. do not appear in early prospect.
Transcontinental	0 11	nf	14	9	14	—	—	B-1	Payments still appear remote.
Union Oil of Cal.	2.93	1.72	54	45	52	2	3.9	A-1	Will probably adhere to prevailing policy.
Vacuum Oil	7.46	nf	133	105	120	4	3.3	A-1	Current rate hardly measures longer range possibilities.
Warner-Quinlan	2.89	1.69	42	28	32	2	6.8	B-1	No change likely under present conditions.
White Eagle O. & R.	3.03	1.39	38	30	34	2	5.9	B-1	Earnings indicate no change in div. rate.

J—On average number shares outstanding for 12 months ended June 30th. S—Plus 6% in stock. nf—Not available. O—On present capitalization. B—Before depletion and depreciation. E—Partly estimated. m—Year ended March 30th. † Partly extra. P—Plus 3% in stock. T—Payable in stock.

Many Cross Currents in Automotive Industry

ACTIVITY in the automotive industry so far this year has been the highest on record and from present indications this high rate is continuing so that the current year should be the banner twelve months' period in the industry from a production standpoint. The number of automobiles and trucks produced during the first half of the year was 3,400,000, comparing with 2,326,000 for the same period last year, or an increase of about 46 per cent. The industry was favored on the one hand by unprecedented heavy domestic sales and on the other, by a record breaking export demand. Ford accounted for much of the increase in output, but many of the other companies produced more units than last year.

In the automobile industry particularly, there are always many cross currents. Practically every year in the industry's history has witnessed certain concerns making exceptionally good showings and others gradually losing out and falling by the wayside. There is a constant shifting about, with many producers showing progress one year and losing ground the next. The fickleness of the industry changes the status of company in a comparatively short time, depending on the popularity of the company's models. It is for this reason that the automobile industry must be more aggressive and alert than probably any other division of American industry. It indicates, also, that automobile company securities do not represent the most desirable type of stocks for long pull holding. Rather, they present periodically excellent mediums for profit opportunities over shorter periods.

Concerning the outlook for the latter half of the year,

Position of Leading Motor Stocks

Company	Earned per Share 1928	Earned per Share 1929 6 mos.	Price Range 1929 High	Price Range 1929 Low	Recent Price	Div'd Rate	% Yield	Rating	COMMENT
Auburn	8.75	11.28	432	221	415	4.00(a)	1.0	A-2	Earnings have expanded rapidly and justify higher distribution, which may come if stock is split up.
Brockway Motor Truck	4.53	NF	73⅞	39½	40½	3.00	7.4	A-1	First half earnings believed more favorable than for last year, but no increase in dividend likely.
Chrysler	7.03	4.06	135	66	71	3.00	4.2	A-1	Dividend policy of company is conservative and no change likely pending introduction of new models.
General Motors	6.14	3.38	91¾	66¼	70	3.30	4.7	A-2	No increase in dividend likely in view of somewhat lower earning power this year.
Graham Paige	0.47	0.80	54	24	24½	—	—	B-1	Earning power is beginning to develop, but dividends will probably be postponed for some time yet.
Hudson	8.42	6.65	93½	75⅛	83	5.00	6.0	A-1	Company's good earnings justify higher distribution of dividends.
Hupp	8.12	2.02	82	38½	42	2.00(b)	4.8	A-2	Earnings have dropped sharply, but cash dividend is being covered.
Mack Trucks	7.83	5.17	114¾	91	97½	6.00	6.2	A-1	Continued gain in earnings indicates possible higher disbursement, probably in the form of an extra.
Nash	7.62	3.93	118⅞	81⅛	87	6.00(e)	6.9	A-2	Present rate with extra will probably be maintained in view of good earnings.
Packard	7.28	7.82(f) 9 mos.	153¾	116½	138	5.00(e)	3.6	A-1	Stock has recently been split 5 for 1, and somewhat higher aggregate dividend may be paid.
Pierce Arrow "A"	def	7.59	37⅞	27½	32⅛	—	—	A-1	Preference dividend of $2 per share over the "B" stock is being earned by wide margin.
Reo	2.54	0.84	31⅞	20¼	22	1.60(e)	7.3	B-1	Lower earnings may cause company to cease payment of extras.
Studebaker	7.16	4.81	98	73	74	5.00(c)	6.8	A-2	Will probably continue paying present cash and stock dividend.
White	2.90	1.75	53½	38	40	1.00	2.5	A-2	Higher dividend will probably be restored as company continues recovery of earning power.
Willys-Overland	2.09	0.50 3 mos.	35	20	24	1.20(d)	5.0	B-1	New interests in company, but earnings are showing no substantial increase.
Yellow Truck	nil	0.26	51¼	34¾	36	—	—	B-1	Company beginning to show earnings on common, but no dividend likely for some time.

(a) Plus 8% in stock. (b) Plus 10% in stock. (c) Plus 4% in stock. (d) Plus 5% in stock. (e) Including extras. (f) Nine months ended May 31st.

the present perspective seems optimistic. Keen competition has induced some companies to lower prices on their new models. The lower profit margins resulting from this may mean in some instances smaller earnings, although for the industry as a whole the number of cars sold will probably be greater than during the second half of last year.

The automobile parts and accessories companies likewise are experiencing their best year under the two-fold stimulus of an unprecedentedly heavy volume of automobile production and a steady expansion in the number of motor cars registered. The outcome for the second half of the year will follow the fortunes of the automobile manufacturing industry which promises to be better than the corresponding period of last year although somewhat lower than the first half of this year.

The tire manufacturing companies after an extremely active first half began feeling the effects of overproduction, but a moderately optimistic view may again be taken on their future prospects, especially of the stronger companies. Although present inventories are large, the danger of the big losses on this score which affected the rubber companies in the last several years is practically eliminated because of the low price of crude rubber, which is close to rock bottom.

Position of Leading Tire and Accessory Stocks

Company	Earned per Share 1928	Earned per Share 1929 6 mos.	Price Range 1929 High	Price Range 1929 Low	Recent Price	Div'd Rate	% Yield	Rating	COMMENT
Briggs Manufacturing	$2.10	$1.21	63⅛	30¼	34½	—	—	B-1	Present rate of earnings warrant payment of a small dividend, but this may be further deferred.
Collins & Aikman	1.85	0.24 3 mos. (d)	72¼	41	41½	—	—	B-1	Resumption of dividend awaits further recovery in earning power.
Continental Motors	1.12	0.31	28⅜	13	13½	0.80	5.9	A-1	Large development expense in connection with new aviation and industrial motors has cut earnings, but future should be better.
Eaton Axle & Spring	5.49	3.53(e)	76¾	56	58¼	3.00	5.1	A-2	Present rate will probably be maintained for a while, with some increase later if second half earnings warrant.
Electric Autolite	8.41	6.00(e)	174	126¾	148	6.00	4.0	A-1	Earnings and financial position easily warrant increased rate.
Fisk Rubber	nil	nil	20⅛	7⅛	7⅛	—	—	B-1	Has shown improvement this year, but dividend even on preferred is still remote.
Gabriel Snubbers, Class A	1.63	nil	33⅞	20	20½	—	—	B-2	Results from new type shock absorber disappointing. Dividend resumption remote.
B. F. Goodrich	1.50	4.09	105¾	72¼	72½	4.00	5.5	A-1	Although earnings have recovered sharply, immediate outlook is less optimistic and no immediate increase likely.
Goodyear T. & R.	7.31	7.02	154½	104	106	5.00	4.7	A-1	Dividend resumed early this year, and increase in rate depends on good showing in second half.
Kelly-Springfield	nil	NF	24	10½	11½	—	—	B-1	No dividends on common for some time. Earnings record very checkered in last six or seven years.
Lee Tire & Rubber	0.55	0.76	25	10	13	—	—	B-1	Earning power is recovering, but dividends will probably be deferred for some time yet.
Marlin-Rockwell	6.94	3.86	79⅞	69⅛	75	4.00(a)	5.3	A-2	If anticipated rate of earnings is attained, further advances in dividends are probable.
Motor Products	19.10	8.55	142	96½	116	7.00(a)	6.0	A-1	Has recently augmented regular quarterly dividend by an extra of $5, which policy will probably be continued as earnings warrant.
Motor Wheel	4.24	3.54	55⅛	39	51	4.00	7.8	A-1	A stock dividend of 20% is payable October 1st.
Mullins Mfg.	6.52	2.36	81⅞	35	40	—	—	B-1	Could inaugurate a dividend, but earnings have tended downward.
Murray Corp.	3.33	2.23 4 mos.	100⅞	62	85	3.00(b)	3.5	A-2	Will probably continue present basis of part cash and part stock payment. Rights recently offered.
Spicer Mfg.	6.23	3.40(e)	66¾	45	53	—	—	A-1	Dividend resumption likely in view of sustained good earnings.
Stewart-Warner	6.46	3.70	77	64¾	66	3.50(c)	5.3	A-2	Present basis of dividend payments will probably be maintained.
Timken Roller Bearing	5.71	3.51	110¾	73½	100	3.00	3.0	A-1	Steady growth of earnings will probably mean increase in rate from time to time.
United States Rubber	nil	nil	65	42	45	—	—	B-1	Great improvement has been shown under new management, but no earnings on common.

(a) Including extras. (b) Plus 3% in stock. (c) Plus 8% in stock. (d) 3 months ended May 31st, 1929. (e) Estimated.

No Halt in Retail Trade Expansion

Chain Store and Mail Order Companies in Best Position

IN the light of sales reports for the first seven months of the year, and taking into account the various indices which determine probable trends for the balance of 1929, it appears that retail trade will set new records. Profits, in the aggregate, will probably also reach a new high level, although they have been, and doubtless will continue to be, somewhat irregularly distributed between the various groups.

The department stores are in the least favored position. This division is handicapped by inability to expand rapidly because of the heavy expense involved in setting up new units, a situation that does not obtain with the chain systems. Having passed the period of greatest expansion some years ago, this group is apparently hampered by relatively high operating costs. While discrimination is always essential to sound investment, the limitation upon possibilities for external growth in department store units requires more careful scrutiny of individual store prospects than is the case with the chain and mail order companies.

The latter, even granting some contraction of sales growth which would attend a slackening in the present pace of business or a reversion of the agricultural prospect to the uncertainties which threatened the recent slump in cotton and wheat prices, are able to offset a moderate shrinkage of existing store sales by the increases which accrue from constant acquisition of new units to add to their distribution facilities.

The mail order invasion of the chain store field promises favorably for the former. While it also tends to sharpen competition for the latter, there is no evidence, as yet, that this field is becoming overcrodwed. Though it is, perhaps, trite to say so, the best showings, from an earnings standpoint, are to be expected among the larger companies in the chain and mail order fields. This is due to the fact that the rapidity of expansion plays a role quite as important in this industry as the cutting down of costs. On the basis of present industrial activity and high average purchasing power, an expansion in net income of possibly 25% over last year appears probable. Such a result seems the more readily attainable, inasmuch as the merchandising industry is approaching the fall and winter months, generally its most favorable period, under propitious circumstances.

Position of Leading Merchandising Stocks

	Earned $ per Share 1928	Earned $ per Share 1st 6 mos. 1929	Price Range 1929 High	Price Range 1929 Low	Recent Price	Div. Rate	Yield %	Market Rating	COMMENT
Abraham & Straus	$8.31	nf	159	101	127	—	—	A-2	Divs. unlikely until expansion program is completed.
American Stores	3.32	nf	85	65	68	2	2.9	A-1	No change in div. indicated.
Arnold Constable	1.93	nf	40	19	21	—	—	B-1	Earnings capacity not yet fully established, hence divs. seem remote.
Associated Dry Goods	3.49	nf	70	43	48	2.5	5.2	A-2	Small likelihood of early change in div. rate.
Best & Co.	6.57	3.47	96	75	94	3	3.2	A-1	Higher div. will probably follow proposed split-up.
City Stores	1.60	F2.20	27	19	20	1	5.0	A-2	Trend of earnings suggestive of moderate increase later on.
Drug, Inc.	A5.50	nf	126	105	112	4	3.6	A-1	Still expanding and therefore will probably go slowly in matter of increase.
Filene (Wm.) & Sons	3.86	rf	98	66	77	—	—	B-1	Strong position, but dividend prospect uncertain.
First National Stores	M2.09	M4.09	77	62	76	1.5	1.9	A-1	Earnings evidently would support higher rate.
Gimbel Bros.	def	nf	48	29	31	—	—	B-2	Small hope for common div. until earnings show definite improvement.
Grand (F. & W.) Stores	3.87	1.65	96	77	81	1	1.2	A-2	Earnings would seem to justify increase though probably not immediately.
Grant (W. T.) & Co	5.12	F6.00	144	114	128	1	0.7	A-2	Prevailing rate appears sufficiently conservative to indicate upward revision in time.
Hahn Dept. Stores	3.23	nf	56	31	32	—	—	B-1	Dividend prospects obscure.
Jewel Tea Co	6.31	E2.75	84	71	75	3	4.0	A-1	Current rate will probably stand for some time.
Kresge (S. S.) Co	2.80	1.26	57	44	47	1.6	3.4	A-1	No change probable in near future.
Kress (S. H.) & Co	5.76	F6.00	114	86	87	1	1.2	A-2	Could readily support higher rate.
Kroger Groc. & Bak	3.46	2.41	122	75	87	P1	6.1	A-1	Cash payment, supplemented by stock, likely to remain fixture for considerable time.
Macy (R. H.) & Co	6.86	nf	222	148	217	P3	6.4	A-1	No change indicated for near future.
May Dept. Stores	4.96	nf	108	73	83	4	4.8	A-2	Div. appears fairly liberal in relation to earnings. No change indicated.
McCrory Stores	6.17	nf	113	97	99	2	2.0	A-2	No early change in sight.
Montgomery Ward & Co	4.77	F5.00	156	99	122	2.5	2.1	A-1	No change indicated at this time.
National Tea Co	4.27	E2.00	91	63	66	1.5	2.3	A-1	Recently split four for one. Current rate probably maximum for some time.
National Bellas Hess	3.40	F3.75	71	40	42	S1	6.4	A-1	Cash and stock div. on new stock will probably remain unchanged.
Safeway Stores	5.11	4.31	195	154	172	3	1.7	A-1	Good prospect for more liberal div. rate.
Sears, Roebuck & Co	6.28	F7.00	181	139	160	S2.5	5.5	A-1	Present div. policy will probably not be changed soon.
Spiegel, May, Stern	7.43	2.87	117	70	78	3	3.8	A-2	Div. conservative and could be increased.
Woolworth (F. W.) & Co	3.63	F3.75	94	85	89	2.4	2.7	A-1	Recent increase removes possibility of further change for some time.

P—Plus 5% in stock. F—Estimated—full year. E—Estimated. S—Plus 4% in stock. A—Eleven months. M—Year ended March 31st. nf—Not available.

Position of Leading Specialties

	Earned $ per Share 1928	Earned $ per Share 1929	Price Range 1929 High	Price Range 1929 Low	Recent Price	Div. Rate	Yield %	Market Rating	COMMENT
Air Reduction	$4.60	$3.61	181	95	180	$3	1.6	A-1	Current rate will probably stand, although higher rate likely in time.
Am. Bank Note	4.26	2.20	148	110	135	†3	2.2	A-1	Could pay more, possibility of extras in stock.
American Can	6.86	nf	180	107	177	†4	2.2	A-1	Good prospect for higher rate, may take form of split-up or stock div.
Am. International	3.12	2.38	81	52	80	P2	6.5	A-1	Prevailing div. policy will probably remain unchanged.
Bendix Aviation	2.80	2.57	104	78	91	2	2.2	A-1	Increase likely over longer term, although probably not now.
Borden Co.	4.53	nf	100	83	93	3	3.2	A-1	No early change appears in prospect.
Canada Dry	6.10	3.34	98	78	88	5	5.7	A-1	Recent increase to $5 maximum expectation for time.
Childs Co.	1.80	0.60	74	44	69	2.4	3.5	A-2	No indication of nearby change in div. policy.
Continental Can	4.35	nf	82	60	75	2.5	3.3	A-1	Extra. div. not improbable, sometime later in year.
Corn Products Ref.	4.52	2.36	107	82	97	†3.50	3.6	A-2	No change in policy of paying extras indicated.
Curtiss-Wright	nf	nf	30	25	28	—	—	A-2	Dividends not likely until earning capacity of consolidation becomes established.
Eastman Kodak	9.59	nf	207	168	195	†8	4-1	A-1	Prevailing rate appears fixture.
Fox Film	6.47	6.11	101	80	95	4	4.2	A-1	Substantial earnings expansion foreshadows greater participation for shareholders.
Gillette Safety Razor	8.12	4.00	131	101	128	5	3.9	A-1	Possibilities for longer term rather than near future.
Hershey Chocolate	6 05	2.12	117	64	110	—	—	A-1	A logical div. candidate. Merely question of time.
Int'l Comb. Eng.	3.18	nf	103	54	70	2	2.9	A-1	No early alteration of rate probable.
Kolster Radio	M0.86	nf	78	25	32	—	—	B-1	Dividend not yet in sight.
Kraft-Phenix Cheese	2.04	nf	54	32	50	1.5	3.0	A-2	Current earnings hardly justify expectation of higher rate.
Lambert Co.	8.92	5.28	157	127	138	8	5.8	A-1	Probability of stock div. or split-up, increasing cash return.
Loew's Inc.	A5.97	N5.51	84	48	57	2	3.5	A-1	Will probably continue extras in addition to regular $2 rate.
Mathieson Alkali	3.26	1.75	68	42	57	C2	3.5	A-2	Recency of split-up precludes likelihood of further change in div. for time.
Nat'l Air Transport	0.60	0.70	48	35	39	—	—	B-1	Divs. likely to wait upon more complete development of earning capacity.
Nat'l Dairy Products	4.01	nf	85	62	78	P1.5	5.9	A-1	Present rate will probably not be changed.
Paramount-Famous-Lasky	4.22	2.30	72	55	70	3	4.3	A-1	Could pay more.
Radio Corp. of Amer.	3.19	0.35	114	68	84	—	—	B-1	No indication of dividends as yet.
Shattuck (Frank G.)	6.25	3.46	187	123	180	2	1.1	A-1	Proposes to split stock 3 for 1 and pay $1 on new shares.
Texas Gulf Sulphur	5.71	2.93	85	69	75	4	5.4	A-1	No indication of nearby increase in present rate.
Union Carbide & Car.	3.71	1.75	128	75	118	2.6	2.2	A-1	Probably pay more eventually but not in near future.
United Aircraft & Trans.	2.52	2.55	162	78	135	—	—	B-1	Some possibility of div. inauguration at conservative rate.
U. S. Industrial Alcohol	13.64	5.30	193	128	181	6	3.3	A-1	In position to liberalize prevailing policy.
Warner Bros. Pict.	AO4.98	F3.47	63	54	58	†3.12½	5.4	A-1	Will doubtless continue payment of extras from time to time.

nf—Not available. P—Plus 4% in stock. † Including extra. M—Year ended March 31st, 1929. C—Payable in cash or stock. A—Year ended Aug. 31st. N—40 weeks ended June 2nd. F—Six months ended March 2nd. O—On old capitalization.

BONDS

MISSOURI PACIFIC
Conv. 5½s, Due 1949

Profit Possibilities Offered by Convertible Rail Bond

Steady Progress and Improving Earnings Place Bonds in Attractive Position

By WARD GATES

INTEREST in the bond market in recent months has centered chiefly in issues convertible into common stocks. Some bonds of this type have experienced wide advances, reflecting of course the rise in price of the common stocks into which they are convertible. The time to buy these bonds advantageously is when they are still selling on a basis to afford a good yield on the purchase price, in which case they may then be considered as an interest bearing option on the common stock of the company for such period as stipulated in the conversion terms of the issue. The bond will sell chiefly on the basis of its investment merit as long as the price of the stock into which it is convertible is below the conversion parity, but as soon as the price of the stock approaches or exceeds this, the bond will act marketwise like the common stock and sell on a commensurate level.

Increasing market interest in railroad common stocks focuses attention to the convertible bond issues of these companies as offering attractive opportunities to participate in possible advancing prices in this class of stocks. The Missouri Pacific Railroad Company 5½% Convertible Gold Bonds, Series "A," due May 1st, 1946, is an issue of this type which at present prices can still be purchased on a basis to give a reasonable yield on the investment, and at the same time possesses attractive possibilities marketwise in view of the position of the company. The bond is listed on the New York Stock Exchange, and at its recent price of 117 affords a current yield of about 4.7 per cent.

These bonds were first issued in May of this year to preferred and common stockholders of the company and are outstanding in the amount of $46,392,000 of a total authorized issue of $100,000,000. The proceeds of the issue were used for the payment of $30,551,000 principal amount of underlying bonds which became due July 1st, 1929, to reimburse the company for capital expenditures made and to provide for future capital expenditures.

Conversion is at the option of the holder at any time on or after May 1st, 1931, into common stock of the company at $100 per share, with an adjustment for accrued interest and current dividends. In event the bond is called, the conversion privilege will terminate fifteen days prior to the redemption date, but inasmuch as the bond is a not callable prior to May 1st, 1934, this factor is of no immediate importance. The issue is callable as a whole beginning with the date mentioned above and up to and including May 1st, 1944, at 105 and thereafter on any interest date at par plus a premium of one-half per cent for each six months between the redemption date and the date of maturity.

Current prices for the convertible 5½s and the common stock indicate a considerable spread between the two securities insofar as the conversion parity is concerned. The spread represents a premium for the bond which is partly accounted for by the fact that the bond pays interest to the holders, whereas the stock pays nothing. In view of the large accumulation of unpaid dividends on the preferred, the common will not be in a position to pay dividends until this arrearage is paid off.

The Missouri Pacific Railroad Co. operates 6,865 miles of first main track including leased lines and trackage rights, extending from St. Louis south to New Orleans and west to Omaha and to Pueblo, Colo., where connection is made with the Denver & Rio Grande Western, in which Missouri Pacific now has a 50% ownership, giving it through the Western Pacific a direct connection with the Pacific Coast. Missouri Pa-

Five-Year Record—Missouri Pacific R.R. Co.

	Total Operating Revenue	Operating Ratio %	Number of Times Fixed Charges Earned	Earned Per Share Common
1924	$123,647,724	79.6	1.53	$3.52
1925	130,831,661	78.2	1.53	4.90
1926	133,990,294	76.8	1.58	6.09
1927	125,728,405	79.2	1.28	0.98
1928	131,576,525	75.3	1.63	7.15

cific owns all the preferred stock and over 50% of the common stock of the Texas & Pacific Ry. Co. whose lines extend from New Orleans to El Paso, Tex., and also 89% of the stock of New Orleans, Texas & Mexico Ry. Co., which operates some 2,185 miles of road including the lines of its wholly owned subsidiary, the International Great Northern Railroad Co. With its controlled subsidiaries, the Missouri Pacific system has a through route from St. Louis to Houston, Galveston, and the important Mexican gateways of Brownsville and Laredo, Tex.

Considerable interest has been aroused in the petition of Missouri Pacific early this year to lease 22 roads which it now controls through stock ownership. This move will permit savings to the system of about $1,000,000 annually in the traffic, operating and accounting expenses, and a decision should be rendered by the Interstate Commerce Commission before the end of the year.

The company also is engaged in an extensive improvement program to its tracks, terminals, yards and equipment. Part of the line is being double tracked where the traffic is heavy, grades are being reduced, and distances are being shortened by the construction of tunnels and by cut-offs. Considerable damage was caused by the floods in 1927 and since then over $5,000,000 has been spent for protection of the right of way for this reason alone.

During the last six years the primary purpose of the management has been to restore the properties to the best possible physical condition, obsolete equipment being retired and replaced by new. After spending for several years a larger proportion of its income for maintenance than any of its chief competitors in its own territory, Missouri Pacific has gradually been showing results in greater operating efficiency. The operating ratio, for instance, has been reduced from 85.46% in 1923, when the present management took over the properties, to 75.31% in 1928.

Earnings Recover Sharply

Missouri Pacific's traffic is unusually well diversified. In 1928, products of mines supplied about 39% of the total freight tonnage (of which 18% was bituminous coal), over 19% was products of agriculture, almost 14% forest products and over 23% manufactures and miscellaneous. Freight tonnage increased 50% in the last decade, while average freight train load and traffic density also gained. The outlook is for continued rapid gains.

The earnings are reflecting the steady

(*Please turn to page 788*)

Bond Buyers' Guide

NOTE.—The following list of bonds has been arranged solely on the basis of current yields to maturity. The position of any issue is not intended as an indication of its relative investment merit. Readers should observe a proper diversification of commitments in making their selections from this list.

	Prior Liens (Millions)	Interest Times Earned on All Funded Debt	Call Price	Price	Current Income	Yield to Maturity
Panama 5½s, 1953 ....(a)	....	...	102½GT	99	5.6	5.6
Argentine 6s, 1959 ....(a)	....	...	100	99	6.1	6.1
Dominican 5½s, 1942 ....(a)	....	...	101G	94	5.8	6.2
Haiti 6s, 1952 ....(b)	....	...	100	97	6.2	6.2
Chile 6s, 1960 ....(a)	....	...	100	92	6.5	6.6

Railroads

Atchison, Top. & S. F. Conv. 4s, 1955..	267.4	5.51	110	88	4.5	4.8
Central of Georgia Ref. 5½s, 1959.....	31.1	1.56	105AG	103	4.8	4.8
Pennsylvania 5s, 1964..................	....	3.25	102T	102	4.9	4.9
Illinois Central 4¾s, 1966...........(a)	....	1.75	102½GT	98	4.8	4.9
Central Pacific Guar. 5s, 1960.......(a)	....	2.25	105GT	95	5.0	5.0
Rock Island-Frisco Terminal 1st 4½s, 1957 ....(d)	....	X	102½T	92	4.9	5.0
Western Pacific 1st 5s, 1946........(b)	....	1.27	100	97	5.1	5.2
N. Y., Chic. & St. L. Ref. 5½s, 1974.(a)	59.6	2.12	105	105	5.2	5.2
Missouri Pacific 1st & Ref. 5s, 1977.(a)	125.2	1.28	105A	96	5.2	5.2
Wabash Ref. & Gen. 5½s, 1975.....(a)	62.4	1.75	105AG	101	5.4	5.4
Chic. & W. Indiana 1st Ref. 5½s, 1962	49.9	1.50	105	101	5.4	5.4
Great Northern Gen. A 7s, 1936.....(b)	139.8	2.36	...	109	6.4	5.4
Carolina, Clinchfield & Ohio 1st & Cons. 6s, 1952 ....(b)	13.9	X	107½T	106	5.6	5.5
Nor'n Pacific Ref. & Impr. 6s, 2047..(a)	166.7	2.43	110G	110	5.5	5.5
Balt. & Ohio Ref. & Gen. 6s, 1995..(a)	284.2	2.05	107½AG	108	5.5	5.5
Southern Railway Dev. & Gen, 6s, 1956.	133.8	2.48	....	112	5.3	5.6
Minn., St. Paul & S. S. M. 1st 4s, 1938	....	1.59	....	88	4.5	6.0
Cuba R. R. 1st 5s, 1952..............	....	2.78	....	84	5.9	6.4

Public Utilities

Indiana Natural Gas & Oil Ref. 5s, 1966	....	2.62	....	101	4.9	4.8
Pacific Gas & Elec. Gen. Ref. 5s, 1942..	34.6	1.92	105T	100	5.0	5.0
Consol. Gas of N. Y. Deb. 5½s, 1945.(a)	....	5.40	106T	105	5.2	5.0
Columbia Gas & Elec. Deb. 5s, 1952....	....	5.15	105T	98	5.1	5.1
Detroit Edison 1st & Ref. 6s, 1940..(b)	14.0	3.27	107½T	107	5.6	5.1
Montana Power Deb. 5s, 1962.......(a)	34.7	2.67	105T	97	5.1	5.2
Utah Power & Light 1st 5s, 1944......	....	2.90	105	97	5.1	5.2
Postal Tel. & Cable Co. Tr. 5s, 1963...	0.6	1.99	105	91	5.5	5.6
Hudson & Manh'n 1st Ref. 5s, 1957..(b)	5.9	2.63	105	88	5.7	5.8
Seattle Electric—Seattle Everett 1st 5s, 1939 ....(d)	....	2.01	105	94	5.3	5.8
Amer. W. Wks. & El. Deb. 6s, 1975..(a)	12.7	1.43	110	103	5.8	5.8
Phil. Rap. Trans. 6s, 1962..........(c)	10.0	1.31	105	98	6.1	6.1
Twin City Rap. Transit 1st & Ref. 5½s, 1952 ....(b) (d)	4.4	1.68	105T	84	6.5	6.8

Industrials

Youngstown Sh. & Tube 1st 5s, 1978.(a)	....	3.74	105T	100	5.0	5.0
Gulf Oil Deb. 5s, 1947................(c)	....	4.59	104AT	100	5.0	5.0
Allis Chalmers Deb. 5s, 1937.........(a)	....	4.61	103T	99	5.1	5.2
International Match Deb. 5s, 1947....(a)	....	57.03	103T	95	5.2	5.4
Chile Copper Deb. 5s, 1947...........(a)	....	5.69	102T	94	5.3	5.5
Amer. Cyanamid Deb. 5s, 1942.........	....	9.52	100	95	5.3	5.6
Sinclair Pipe Line 5s, 1942..........(a)	....	3.68	103	94	5.3	5.6
Bethlehem Steel Cons. 6s, 1948..........	101.3	2.64	105	105	5.7	5.6
B. F. Goodrich 1st 6½s, 1947........(a)	....	2.61	107A	107	6.1	5.9
U. S. Rubber 1st & Ref. 5s, 1947...(b)	2.6	1.70	105A	87	5.7	6.1
Loew's Inc., 6s, 1941 (ex-war.)......(a)	....	6.70	105AT	94	6.3	6.6

Short Terms

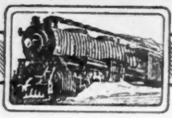
N. Y., Chic. & St. Louis 2nd & Impr. 6s, May 1, 1931 ....(a)	17.3	2.12	102	101	5.9	5.5
Amer. Cotton Oil 5s, May 1, 1931.......	....	19.32	105	98	5.1	5.7
Middle West Util. notes 5½s, Aug. 1, '31	....	12.38	100¼	99½	5.5	5.8
Brooklyn Edison 6s, Jan. 1, 1930....(a)	12.0	5.87	105	100	6.0	6.0

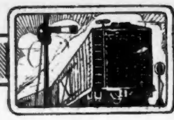
Convertible Bonds

	Conv. Into					
Inter'l Tel. & Tel, Deb. 4½s, '39....	Com.@200	6.02	102½	172	..	..
Atch., Top. & S. F. Deb. 4½s, '48...	Com.@166.6	5.51	102	157	..	..
N. Y., N. H. & Hart. 6s, '48.......	Com.@100	1.69	...	133	4.5	..
Amer. Inter'l Corp. Deb. 5½s, '49..	Com.@80	2.34	105	107	5.1	4.8
Inter'l Cement Corp. Deb. 5s, '48....	Com.@90.90	4.61	105	102	4.8	4.8
Chesapeake Corp. Col. Tr. 5s, '47....	C & O@220	2.45	100	98	5.1	5.1

All bonds are in $1,000 denominations only, except (a) lowest denomination $500, (b) $100.

A—Callable as a whole only. T—Callable at gradually lower prices. G—Not callable until 1930 or later. X—Guaranteed by proprietary companies. (c) Listed on New York Curb. (d) Available over-the-counter.





NEW YORK CENTRAL

Future Prospects Not Yet Discounted

Sound Background for Appreciation in Shares of Leading Carrier

By Pierce H. Fulton

THAT New York Central should have been one of the most conspicuous stocks in the entire railroad list during the big rise of recent weeks and months should not be surprising to any one at all familiar with the position of the property, and with that of other roads in the system, of which it is the central company.

There are good and sufficient reasons why this stock should have been particularly active and strong. It may be noted that the high of 245 for this year is 66½ points above the low of 178½. Opinion may differ as to whether at that high level it had reached a pinnacle or merely a stepping stone to further advances. Let us examine the facts.

Why New York Central Is a Profitable Investment

1. One of the strongest railroads in the United States, favorably located, excellently managed.
2. It owns or controls big-earning subsidiaries.
3. They not only round out a comprehensive system but can be called upon for large extra dividends to New York Central in addition to substantial regular disbursements.
4. New York Central has a well advanced plan for merging some of these properties more closely with itself. This will reduce operating costs and increase investment income from these sources.
5. Expectation of special benefits to accrue to stockholders from Central's part in general consolidation of eastern roads.
6. Only a matter of time until dividend rate is raised from 8% to 10% basis.
7. Electrification and other improvements are likely to result in frequent stock offerings to shareholders on favorable terms.

More Than Current Earnings or Dividends

In considering reasons to justify well on to 250 for New York Central, many facts and considerations must be taken into account. Certainly something beside the present dividend of $8 a share, par value $100, must be found. At 200 the stock yields only 4% and at 245 less than 3.27%. Something more even than earnings for the first half of this year and estimates for the full 12 months must be produced to explain the 66½ point rise. Net income for the six months ended June 30th was equivalent to $9.83 a share and there have been estimates of close to $16 a share for 1929 as a whole. It is admitted by those who best know the position of New York Central as a railroad, that this figure is likely to be reached and may be exceeded somewhat.

The following are outstanding reasons why investors and speculators have bought New York Central shares and they have advanced to the extent indicated:

1—New York Central is one of the best railroads in the United States, favorably located, excellently managed.

2—It owns control of big-earning subsidiaries.

3—They not only help to round out a comprehensive system, but can be called upon to pass along large extra dividends to New York Central in additional to substantial regular disbursements.

4—New York Central has a plan well advanced for merging some of these properties still more closely with itself. This will reduce operating costs and increase New York Central's investment income from these sources.

5—Expectation of special benefits to accrue to New York Central and its stockholders from its part in proposed general consolidation of Eastern railroads.

6—It is taken as only a matter of time until New York Central shares will be placed on a 10% annual basis—rate now 8%.

7—Proposed electrification of New York Central proper from New York to Buffalo, West side improvements in New York City and big undertakings at other important points, are llikely to result in rather frequent offerings of good-sized blocks of stock to shareholders on favorable terms—perhaps par—as in the past.

Rich Territory Served

New York Central and Atchison have been the two most conspicuous stocks in the recent big rise in railroad shares. When prominent railway executives were asked how a single railroad, the Atchison, could report an increase of $11,586,913 in its gross earnings and of $12,088,978 in its net operating income for the first six months of this year over the corresponding period of 1928, the reply was, "A wonderful railroad in a wonderful territory, wonderfully managed."

Much the same characterization may be made of New York Central. The

location of the lines of a railroad are primarily imperative to its success as an earner. If they run through large areas in which traffic cannot be produced on a good sized scale, the best of managers cannot show correspondingly good earnings.

In addition to being located in a territory that produces a large volume of widely diversified freight traffic, the roads making up the New York Central Lines do not have to contend with steep grades. In this respect they have a distinct advantage over the lines making up their principal competitor system. New York Central Railroad, on its main line from New York to Albany, has no grade at all except for a short distance between Albany and Schenectady. The management has been proud—and justly so—of its slogan "The Water Level Route." This feature of its position is highly important in the matter of the keen competition for through passenger traffic between New York and Chicago.

New York Central and its principal subsidiaries operate in sections that produce widely diversified freight traffic and together they carry pretty much every commodity worth mentioning—most of them in large quantities.

Diversified Freight Traffic

In 1928 New York Central (including Boston & Albany) handled 1,174,114 cars, 62,562,266 tons, of freight classified as Products of Mines. Of this big total 707,692 cars, 38,686,245 tons, were contributed by bituminous coal and 139,423 cars, 6,650,117 tons, by anthracite.

Products of Agriculture came second with 235,479 cars, 7,061,390 tons. Animals and Products were third with 203,789 cars, 2,580,576 tons. New York Central last year likewise carried 125,806 cars, 756,704 tons, of passenger automobiles. Trucks and numerous accessories, together with raw materials, added thousands of cars and tons to the aggregate volume of freight handled in connection with the automotive industry.

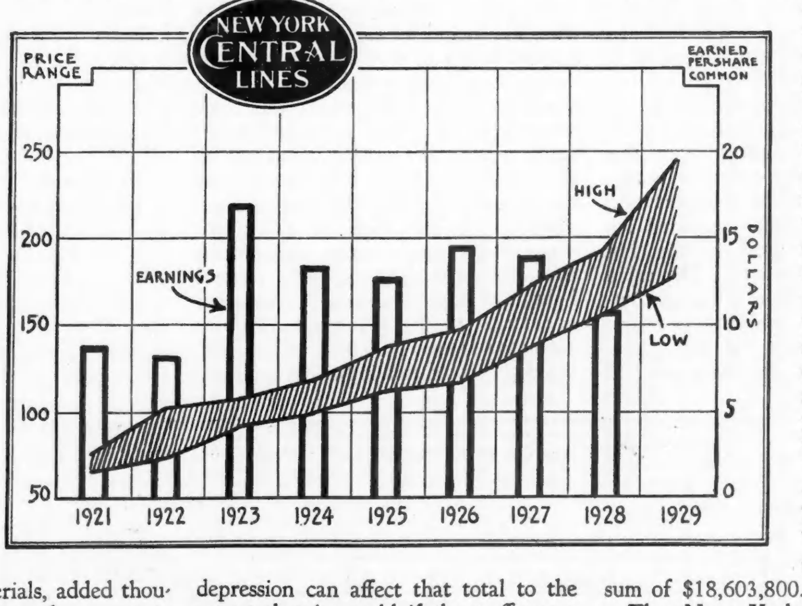
Each one of the other big roads in New York Central Lines contributed an outstanding amount in one or more important classifications of freight in addition to smaller amounts from many sources. Take Michigan Central with 161,944 cars, 969,525 tons, of passenger automobiles, mostly from the great Detroit producing area. Last year it handled also 139,184 cars, 3,001,025 tons, of manufactured and other miscellaneous commodities not otherwise specified. Michigan Central likewise is a big bituminous coal carrier, the movement last year having been 137,474 cars, 7,349,481 tons.

Cleveland, Cincinnati, Chicago & St. Louis—Big Four—originates and handles a particularly large volume of bituminous coal. The figures for 1928 were 490,338 cars, 25,205,981 tons. Manufactures and miscellaneous commodities not otherwise specified yielded a total of 115,385 cars, 2,329,594 tons.

Pittsburgh & Lake Erie is the big anthracite coal carrier among the New York Central subsidiaries. In 1928 it handled 259,852 cars, 15,537,408 tons, of that commodity. It also carried a large quantity of steel products of all kinds and everything pertaining to the iron and steel industry.

These figures deal only with a few of the principal commodities carried in the largest volume by the principal roads in the New York Central system. Other commodities, altogether too numerous to mention, are transported in proportionate amounts. While a big falling off in any one of them is felt in the grand total for the individual road and system, only a general and serve business depression can affect that total to the extent that it would if the traffic as a whole were not so widely diversified.

While, of course, by far the greater part of the operating revenue of New York Central proper, and likewise of its principal subsidiaries, is derived from the carrying of freight, it does not all come from that source. The entire New York Central System is particularly well situated for the doing of a large passenger business. Its lines reach all the principal cities of New York State. There is a direct line over Boston & Albany between the two cities making up the name of that road. From Buffalo westward to Chicago and St. Louis, New York Central Lines constitute a comprehensive net work. In 1928, New York Central Railroad alone carried 71,338,842 passengers, which, by the way, was an increase of 243,144 over the previous year, notwithstanding the general tendency of passenger traffic to slump seriously. The other leading roads in the system likewise handled a large quota of passengers.



Earning Subsidiaries

The importance to New York Central of its big-earning subsidiaries should be stressed. The extent to which they carry traffic for themselves, turn it over to New York Central and distribute it for the parent road, have been roughly outlined. The extent to which they contribute extra dividends in addition to regular cash disbursements at substantial rates was best shown in 1927, among recent years. For that fiscal period New York Central's operating income decreased $10,311,896. Dividend income, however, increased $13,036,309 as a result of big extra dividends by Michigan Central, Big Four and smaller roads in the system. Consequently New York Central was able to show for that year an increase in its gross income of $3,220,093, instead of a decrease of over $10,000,000, as would have been the case except for the big extra dividends by subsidiaries. Early this year Michigan Central declared a 100% extra dividend which brought into New York Central's treasury the tidy sum of $18,603,800.

The New York Central's merger plan for acquiring stock control of and leasing Michigan Central and Big Four, and the latter several small lines, has been approved by the I. C. C. If all goes well, it is hoped to make the leases

(*Please turn to page 797*)

PENN-OHIO EDISON COMPANY

Compact Public Utility System Shows Rapid Progress

Well Managed Holding Company Operates in Highly Industrialized Area

By William Knodel

THROUGH the acquisition last year by the Penn-Ohio Edison Company of the properties formerly controlled by the Northern Ohio Power Company, not only were the gross earnings of the Penn-Ohio system practically doubled, but a fairly compact utility system was formed serving an important industrial district in northeastern Ohio and western Pennsylvania. This acquisition was most logical, bringing together two large properties adjacent to each other and materially increasing the diversification of the business served by the Penn-Ohio system.

The Penn-Ohio Edison Company as now constituted is chiefly an electric power and light system, deriving about 60% of its gross income and about 87% of its net earnings from this source in 1928. The company is also largely interested in the transportation business. In 1928 this accounted for about 37% of its gross income, but less than 13% of the net. The rapid expansion of the system's electric output in recent years, however, is gradually tending to make the transportation phase less and less important. It is in the continued expansion of its electric field that the future growth and progress of the Penn-Ohio system lies.

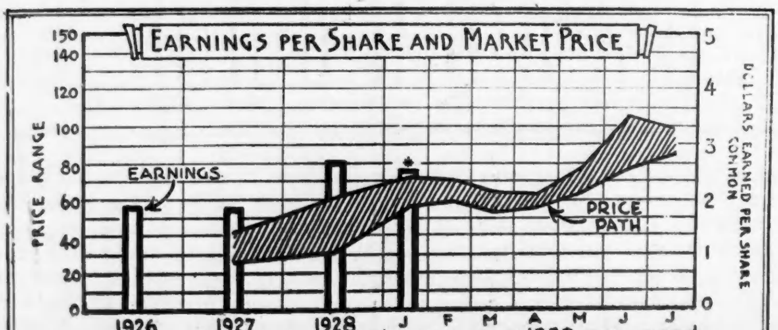
The electric properties of the combined system are at present indirectly connected, but physical interconnection will shortly be accomplished and should result in higher operating efficiency through greater diversification of load, and advantageous power interchange and pooling for the various generating plants in the enlarged system.

Rich Territory Served

Serving as it does industrial communities between Pittsburgh and Cleveland, the system operates in the very "heart of industrial America." In this territory which embraces about 3,000 square miles, two distinct districts are included. The one is the important iron and steel district centering around Youngstown and extending into the western part of Pennsylvania embracing the cities of Sharon and Newcastle. The other section is the seat of the rubber manufacturing industry in the United States centering around Akron, Ohio, in which city and in 48 surrounding communities the system does the exclusive commercial electric light and power business. The total population of the system's territory is estimated at over 800,000. The rapid development of this industrial territory is strikingly indicated by the fact that in the past twelve years the electric output has increased more than 610%.

One of the most significant advantages obtained through the acquisition of the Northern Ohio properties was the improvement in diversification of the electric business. Previous to the merger, the old Penn-Ohio Edison Company's chief customer was the steel industry, while Northern Ohio Power & Light Company's chief customer was the rubber industry. In 1928, for instance, the sales of current to the steel industry were 49% of the total sales in the Youngstown district, and sales of current to the rubber industry were 43.4% of the total sales in the Akron district. These percentages become 30.1% and 16.9% respectively of the entire sales of the enlarged system.

The electrical output of the system as now constituted amounted to 985,257,371 kilowatt hours in 1928, as against 921,022,791 in 1927, or a gain of 7%. The energy last year was distributed as follows, which is again illustrative of the diversification of the system's business: lighting, 22.3%; steel making, 24.1%; steel fabricating, 6.0%; rubber, 16.9%; public utilities, 7.4%; cement, limestone, brick, etc., 6.2%; and miscellaneous, 17.1%. The lighting business, although accounting for only 22.3% of the total output of electricity, nevertheless, produced



51.3% of the total electric revenues. This is largely due to the fact that the lighting business is mainly retail, whereas most of the remaining business is of a wholesale nature.

For a number of years, the company has been engaged in the intensive development of residential electric business not only with the view of serving every residence within the territory but also with the intention of popularizing the use of numerous electrical appliances. That the program is meeting with success, is reflected in the large number of new residential electrical customers added last year and the increased use of current per customer. The combined properties at December 31st, 1928, were serving 141,918 residential electric customers as against 129,558 at the end of 1927—a gain of 9½%. Average sales to residential customers in 1928 totaled 49 kilowatt hours per month in comparison with an average of 46½ kilowatt hours per month in 1927.

The use of electricity also is being increased by development of a larger market for industrial power, commercial lighting, and by the extension of rural electric service through the construction of distribution lines.

Increasing Facilities to Anticipate Growth

The intensive development program of the company within its own territory has made necessary the increasing of the system's production capacity, as well as extending and improving the transmission and distributing facilities. Generating capacity at the Toronto power station has been increased to 176,000 horsepower with the completion of the fourth unit of this plant, each with capacity of 44,000 horsepower. This major construction project together with substations, transmission and distributing lines, etc., involved expenditures of more than $9,500,000. In addition, approximately $2,500,000 was spent last year in improving the electric facilities in the Akron territory. This program of expansion is being continued, and in the Youngstown district alone it is estimated that $5,000,000 will be expended for additions to property. One project calls for a new major power transmission line which would complete the loop for the Youngstown and Sharon districts.

Five Year Record of Penn-Ohio Edison Co.

	1924	1925	1926	1927*	1928*
Gross income	$10,546,267	$11,313,974	$12,733,256	$26,379,486	$27,725,092
Net earnings after charges and taxes	3,552,635	4,276,279	5,262,427	9,418,775	10,990,544
Operating ratio	66.3%	62.2%	58.7%	64.3%	60.4%
Earnings available for Common Stock and Retirement Reserves	702,543	1,175,461	1,238,718	2,809,153	3,826,643
Earned per share common after depreciation	(a)	(a)	1.90	1.86(b)	2.68
Electric output M K.w.h....	341,178	405,947	513,875	921,023	985,257
Passengers carried—rail and bus (thousands)	51,438	52,948	53,264	112,457	124,526

* Includes Northern Ohio Power Co., which was merged with Penn-Ohio Edison Co. in 1928. (a) Not computable because amount set aside for depreciation not stated. (b) Earnings per share on old Penn-Ohio Edison Co. only.

Transportation on More Profitable Basis

The transportation system of the Penn-Ohio Edison system, although representing a large investment, is not nearly as profitable as the electric division. The management has been exceptionally aggressive in modernizing the transportation system, in many cases supplementing or substituting bus lines in connection with the existing traction lines. A fair return on the company's investment, however, is not being earned, a condition which of course is common with most other traction systems in the country. At best, the company is holding its own in this division of its activities. Through adjustment of rates, and more favorable franchises, granting relief from excessive paving charges and other burdensome conditions, the earnings from the transportation division may be considerably enhanced.

At the end of 1928, the company was operating 429 miles of track including both city and interurban systems, and the buses in operation numbered 368. A high speed freight service is conducted over the company's lines, a business which is profitable and which has been developing rapidly. To further this development, the company has joined with neighboring interurban electric railway operators of Ohio in the organization of Electric Railways Freight Company. This new company, in which Penn-Ohio holds a substantial stock interest, affords a centralized agency for the solicitation of business and operation of the facilities of the interconnected lines on a coordinated basis, and should result in substantial economies.

Under unified control, the consolidated properties of the Penn-Ohio system are showing the benefits derived therefrom in gross and net earnings. The latest available combined earnings statement for the system covers the twelve months ended June 30th, 1929, which shows gross revenues of $28,802,052, an increase of $2,060,826 or 7.7% over the corresponding period last year, while net earnings after operating expenses, taxes and maintenance were $11,597,606, an increase of $1,428,586 or 14.1% over last year. It is seen from this that a large part of the increase in gross revenues is carried over to net earnings, a fact which is significant from the viewpoint of the common stockholders to whom of course the benefit accrues. After all expenses and prior charges, including depreciation, the increase in the proportion of the income available for the common stock amounted to 37.3%, an impressive showing.

Operating Economies Effected

The continued improvement in the operating ratio is also significant of progress of the system and of the operating economies brought about by the consolidation of the two companies. Operating expenses and taxes amounted to 59.8% of the gross revenues during this period, and compares with 60.4% in the year 1928 and 64.3% in 1927 for the combined properties.

The per share earnings on the common stock for the twelve months ended June 30th, 1929, do not reflect the remarkable increase in the net available for this class of stock for the reason that a large number of the option warrants outstanding have been exercised, thereby increasing the outstanding amount of common stock. On 1,004,712 shares of common stock, the net for this period was equal to $2.54, com-

(*Please turn to page* 804)

Market Indicators

Factors That Will Affect Your Stocks

BEST & CO. reported net profits equivalent to $3.47 a share for its common stock in the six months ended July 31st. For the same period last year, a balance of $2.06 a share was earned. Should the first half-year rate of gain be maintained in the second six months, Best would earn between $8 and $10 a share. Shareholders are to vote September 9th on the company's proposal to increase the common stock from 150,000 to 500,000 shares. It is proposed to split the present stock two for one, a step that may be preparatory to larger rewards for stockholders in the not too distant future.

* * *

FOX Film's second quarter earnings statement makes pleasant reading for shareholders. For this period, ordinarily a dull one in the amusement industry, net profits amounted to $3.11 a share for the combined Class A and Class B stocks. Apparently the company will have no difficulty in going over the $12 a share mark for the full year. The marked popularity of "sound" pictures has done a great deal to stimulate the business of such concerns as Fox, Warner Bros. and Paramount. The stock market has been ignoring the great strides made by these leaders, but the probable introduction of stereoscopic pictures before long may well result in a fresh revival of speculative demand for motion picture issues.

* * *

THE four for one split-up of Baldwin Locomotive has restored to the list of active stocks an old-time speculative favorite. There are those who contend that the reduction in Baldwin's par value is a step preliminary to its resumption of speculative leadership. Be that as it may, Baldwin seems to be doing very well in a business way in consequence of the noteworthy improvement of railroad locomotive buying.

OCCASIONAL flurries of strength in the rails suggest that the floating supply of the better grade issues is still limited. The possibility of a decision in respect to the Great Northern-Northern Pacific unification application this Fall is probably influencing rail shareholders to "sit tight." Favorable action on the part of the Interstate Commerce Commission would very probably unloose a flood of speculative optimism on the rail stocks, though their excellent earnings position scarcely requires an added stimulus to strengthen investment confidence.

* * *

WITH indicated earnings running in the neighborhood of $11 a share, the strength in New Haven is considered an augury of an early increase in the current $4 dividend.

* * *

GLIDDEN CO. has established its common stock on a regular $2 cash dividend basis and declared an extra of 1% in common stock, payable October 1st to shareholders of record September 18th. In order to reimburse its treasury for expenditures that have been made in connection with recent food products acquisitions, Glidden is offering shareholders new common stock at $50 a share in the ratio of one for every eight shares held as of August 19th. It has been officially intimated that stock dividend payments will be continued. Thus shareholders are already beginning to reap benefits from the company's venture into the promising food products industry. Sales for the nine months ended July 31st exceeded 27 million dollars, an increase of 44.8% over the same period last year.

* * *

SIGNS of reviving interest are discernible among the chain store stocks, even though they are faint, as yet. A better market in this direction would appear logical on seasonal grounds and also because this group has been dormant for some time.

* * *

THE possibility of a stock split-up for American Telephone & Telegraph is again under discussion, doubtless on the theory that with Telephone close to the triple century mark, the management might give more serious consideration to the investor's well-known preference to "lower priced" stocks. Telephone is one stock little affected by price complexes. It would be more logical to look for additional stock rights sometime next year than a capital readjustment now.

* * *

AT their meeting September 20th, shareholders of Allis Chalmers will vote on the proposal to exchange the present common for new stock in the ratio of four for one. It is expected that the new shares will be placed upon a $2 dividend basis and an additional amount of new stock offered for sale to shareholders at an attractive price.

* * *

MOST of the copper companies have reported smaller profits for the second quarter. It is to be observed, however, that much of the copper sold in the first half of the year was contracted for in the first quarter. Copper produced in the second quarter has probably gone largely into inventories, owing to the lower level of demand. Since this metal is carried at production cost, its sale in the third quarter would net handsome profits, provided the prevailing 18-cent price level is maintained. There are substantial reasons for assuming that this will prove to be the case, especially since there are already indications of reviving foreign and domestic demand. Steps to curtail production some time back have operated to keep the markets under excellent control.

WESTINGHOUSE ELECTRIC

Steady Expansion in Electrical Industry Implies Increasing Prosperity

Electrification of Railroads a Growing Source of Business

By George T. Fenwick

WHETHER we get relief from the whirling blades of an electric fan while we listen to some broadcasting program, whether our coffee is poured from an electric percolater, our roast prepared in an electric oven or our drink iced by the cubes from an electrically refrigerated box, or whether we make our way along streets lighted from power stations to board a ferryboat driven by electrically controlled Diesel engines, or relax in a Pullman chair behind a powerful motor-driven locomotive, scarcely one of us, probably, connects the functioning of these various activities with one source.

Yet, in some degree the Westinghouse Electric & Manufacturing Company is tied to all of these multiple and ever-expanding components of our industrial, commercial and social life. The company may be said to be grounded in a diversity of production, welded to the one power, electricity, that promises to dominate all progress, which assures maximum stability of earnings.

Stable Earning Position

Any concern that has a range of earning power covering millions of units of household conveniences, radio and automobile parts and accessories, and other electrical apparatus too numerous to mention, up to a single contract of $15,000,000 has to watch its costs to sales ratios pretty closely in order to obtain maximum net results. In this respect, Westinghouse gives conclusive evidence in its periodic reports.

Manufacturing profit margins, that have averaged in the four fiscal years (ended March 31st) up to 1928 about 8½%, increased in the nine months ended December 31st, 1928 (the fiscal year having been changed to correspond to the calendar year), to slightly more than 10%. And in the first six months of this year, although no interim figures are published on net manufacturing profits, sales advanced nearly 12½% over the first half of 1928.

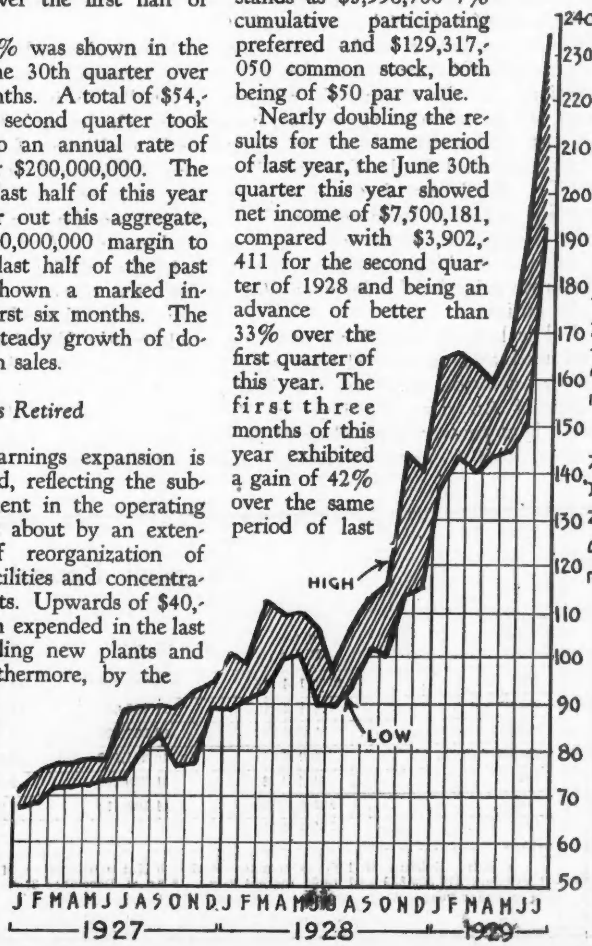
A jump of 25% was shown in the sales for the June 30th quarter over the first three months. A total of $54,247,541 for the second quarter took the company into an annual rate of sales of well over $200,000,000. The outlook for the last half of this year should fully bear out this aggregate, with a likely $20,000,000 margin to spare, since the last half of the past four years has shown a marked increase over the first six months. The future promises steady growth of domestic and foreign sales.

Bonds Retired

The rate of earnings expansion is even more marked, reflecting the substantial improvement in the operating efficiency brought about by an extensive program of reorganization of manufacturing facilities and concentration of departments. Upwards of $40,000,000 have been expended in the last six years in building new plants and extensions. Furthermore, by the retirement of the company's entire bonded indebtedness of $30,000,000 20-year 5s due in 1946 as of March 1st last, fixed charges were entirely eliminated and an annual saving of about $315,000 was effected. The bond redemption was accomplished by the sale of 296,252 shares of common stock, which of course call for the payment of the current annual dividend of $4 a share.

The company's capitalization now stands as $3,998,700 7% cumulative participating preferred and $129,317,050 common stock, both being of $50 par value.

Nearly doubling the results for the same period of last year, the June 30th quarter this year showed net income of $7,500,181, compared with $3,902,411 for the second quarter of 1928 and being an advance of better than 33% over the first quarter of this year. The first three months of this year exhibited a gain of 42% over the same period of last



year while the net for the first half of this year, amounting to $13,131,881, disclosed an increase of 67% over the first six months of 1928.

The calendar year of 1928, the first one to be changed, showed net income of $20,814,940, a gain of 33% over the fiscal year ended March 31st, 1928, which resulted in net of $15,639,172, and over which the 12 months ended March 31st, 1929, scored an increase of nearly 43% with net profits of $22,327,406.

A New High Record

The per share earnings for the fiscal years ended March 31st amounted to $195.56 on the preferred and $6.60 on the common for 1928, as against $201.80 per preferred and $6.81 per common for 1927. For the calendar year of 1928 they were equal to $258.26 on the preferred and $8.73 on the common. They established a new high record for the 12 months ended March 31st of this year when they amounted to $279.18 per share of preferred and $9.16 per share of common.

In these record earnings may be seen the outcome of the company's foresight in allying with the radio and aeronautical industries, as well as the expansion in its sales of industrial motors and of electrical equipment to the farms and city homes. Of course, these favorable notations on the company's position must not be taken to imply that it is without competition, for its most formidable rival is the General Electric Co., the largest factor in this diversified industry. Westinghouse, however, occupies a unique place in that it enjoys a working agreement with its big brother in the development of the radio business.

While holding 50,000 shares of the preferred and around 210,800 shares of the common stock of the Radio Corp. of America, Westinghouse also has a joint contract with General Electric on a 40-60 basis respectively for the exclusive manufacture of all radio equipment for the first named company. On the same relative basis the company has joined with General Electric in an investment of $25,000,000 in the new Audio-Vision Appliance Co. for the manufacture of individual and combination radio, talking and television sets.

It may seem rather a far cry to stretch production over so wide a field as is encompassed by the company's 25 factories that cover a total of 600 acres of ground and employ 50,000 workers, and turn out 300,000 separate products bearing the Westinghouse insignia, but the proof of the pudding is certainly in the profit plums that are being pulled out. The very nature of its facilities and operations, of course, give it most logical entrée to all lines connected with electricity. Then, too, Westinghouse, ever since its founding in 1886 has maintained experimental laboratories to which may be traced many of the successes of the electromechanical world, such as making possible the harnessing of Niagara Falls, development of the various phases of the turbine and the establishing of radio broadcasting.

Numerous Subsidiaries

Westinghouse has numerous subsidiary companies which contribute substantially to its position. They embrace the manufacture of machinery and appliances for the generation, transmission and utilization of electricity in mines, power plants, factories, homes, on the streets, farms, railroads and ocean. And now in connection with the swelling trend of foreign business the company is working out an agreement through its overseas subsidiary, the Westinghouse Electric International Co., with Schneider et Cie of France for the joint formation of an electrical manufacturing concern in that country. American and French participation of approximately equal proportions will make up a nominal capital of 100,000,000 francs ($4,000,000) with substantial cash investments by both companies for working capital and expansion.

Schneider et Cie have passed their 100th anniversary and embrace the famous Creusot Works. They control the manufacture of electrical machinery, locomotives, engines and steam turbines and are a large factor through affiliated companies in the production of iron ore, coke, pig iron and steel.

The new alliance is expected not only to stimulate imports of American electrical apparatus but the building in France of all types of heavy machinery for railroads, steamships and power plants, thus eliminating the cost and difficulties of shipping huge units overseas while increasing the purchase of control apparatus and accessories in this country, all to the benefit of the profit column of Westinghouse. The foreign combination also gives Westinghouse effective answer to its chief competitors, the Alstrom (unification of International General Electric and Société Alsacienne de Constructions Mécaniques) and the Swiss-Brown Boveri-Electromécanique fraternity.

The panorama of industrial and commercial activity presents today one of the most promising prospects encountered by the electrical industry. The consumption of electric power is showing marked gain, in the homes, factories and public utility systems as well as on the farms. The electrification of railroads, of ship equipment, of radio units and of aviation is proceeding with great rapidity.

Share in New Developments

Westinghouse is particularly fitted to share in these developments. Chief among these is doubtless the electrification of railroads which holds great potentialities for the manufacture of electrical equipment. The electrification of the Virginian Railway included a con-

Financial Record of Westinghouse

Years Ended Mar. 31	Sales Billed	Net Mfg. Profits	Margin of Profit	Working Capital	Earned per Share	Dividend	Surplus After Dividends
1923	$125,166,115	$13,471,283	10.80%	$90,286,742	$5.90	$4	$6,278,587
1924	154,412,918	17,406,638	11.27%	127,478,987	8.98	a4	8,971,647
1925	157,880,292	13,638,227	8.64%	121,905,652	6.47	4	5,856,143
1926	166,006,801	14,294,862	8.61%	118,904,048	5.96	4	4,647,490
1927	185,543,087	15,779,002	8.50%	102,631,345	6.81	4	6,662,589
1928	175,456,816	14,109,459	8.04%	106,942,424	6.60	4	6,163,124
1929	190,113,119	b	b	*118,717,937	9.16	4	12,850,182

a Extra dividend of 10% in common stock. b Not available as of March 31st, 1929, but for the nine months ended December 31st, 1928, they were $14,525,899 and 10.04 respectively. * As of December 31st, 1928, latest available figure due to change of fiscal year to correspond to calendar year.

tract with Westinghouse for $15,000,000, the largest of its kind and brought into being one of the most powerful locomotives in the world. The company is now working on electrification estimates for the New York City Board of Transportation, the Lehigh Valley, the Delaware, Lackawanna & Western and a number of other railroads that involve many millions of dollars.

The new Jones-White bill providing Federal loans for new ship construction has also opened up wide possibilities for Westinghouse in Diesel electric marine installations. The super-dreadnaughts *U. S. S. Colorado* and *Tennessee* are Westinghouse equipped, as are also numerous ferries, freighters and tankers, the last including the highest powered installation of its type in the world.

Important Utility Field

The capital requirements of electric light and power companies for extensions and improvements last year aggregated more than $800,000,000. They promise a larger total this year. Larger generators and higher steam pressures are being placed in service. And so runs the story of electrical development in every line of human endeavor, constantly growing and thereby expanding the business of such institutions as Westinghouse.

Comparison of Westinghouse with its chief rival, General Electric, discloses a number of interesting points. The latter has a much larger capitalization and in consequence its net income, while nearly two and three-quarters bigger than that of Westinghouse, represents only $7.15 per share against the latter's $8.73. And the book value of General Electric common is $48.99 whereas Westinghouse shows $79.30 per share of common. General Electric, at the close of 1928 had a net working capital of $239,183,000 and surplus of $132,675,000: Westinghouse reported respectively $118,717,900 and $9,588,545. While Westinghouse has recently rid itself of all indebtedness, General Electric has but $2,047,000 outstanding at the low rate of 3½%, due in 1942.

The current indicated rate of earnings is running quite a bit in favor of Westinghouse, showing a probable increase over last year of more than 30% while General Electric's gain is expected to be a little under 20%. The current market price of General Electric is close to 45 times indicated annual earnings, but Westinghouse is selling around 25 times. A peculiar coincidence is shown in the range for this year of General Electric from a low of 219 to its new high of 399, and

(*Please turn to page* 807)

Preferred Stock Guide

NOTE: The following list of preferred stocks has been arranged solely on the basis of current yields. The position of any stock in the Guide is not intended as an indication of its relative investment merit. Readers should observe a proper diversification of commitments in making their selections from this list.

Railroads

	Div. Rate $ per Share	Earned $ per Share 1926	Earned $ per Share 1927	Earned $ per Share 1928	Redeemable	Recent Price	Yield %
Norfolk & Western	4 (N)	160.35	133.40	133.73	No	85	4.7
Union Pacific	4 (N)	41.17	39.85	46.32	No	81	4.9
Atchison, Top. & S. Fe.......	5 (N)	48.83	40.47	40.21	No	101	4.9
Pere Marquette Prior.........	5 (C)	68.77	64.08	75.60	100	96	5.2
Southern Railway	5 (N)	39.33	36.17	32.11	100	95	5.2
Baltimore & Ohio	4 (N)	48.41	38.44	49.44	No	76	5.3
St. Louis Southwestern.......	5 (N)	12.00	9.30	8.84	No	90	5.5
N. Y., New Haven & Hart....	7 (C)	....	22.05	34.40	115	128	5.5
Wabash "A"	5 (N)	11.86	6.87	9.24	110	89	5.6
Colorado & Southern 1st......	4 (N)	52.56	57.76	49.45	No	70	5.7
N. Y., Chicago & St. Louis...	6 (C)	24.65	20.31	17.68	110	106	5.7
Colorado & Southern 2nd......	4 (N)	48.50	53.76	45.46	No	68	5.9
Kansas City Southern........	4 (N)	10.86	9.04	14.01	No	67	6.0
**St. Louis, San Francisco....	6 (N)	16.12	15.28	17.44	115	95	6.3
Missouri, Kans. & Tex........	7 (C)	....	13.06	16.34	110	105	6.7

Public Utilities

	Div. Rate $ per Share	Earned $ per Share 1926	Earned $ per Share 1927	Earned $ per Share 1928	Redeemable	Recent Price	Yield %
Public Service of New Jersey.	8 (C)	§21.46	§16.28	20.92	No	150	5.3
Columbia Gas & Electric......	6 (C)	27.81	25.42	30.78	110	106	5.6
Philadelphia Co.	3 (C)	24.20	28.28	16.55	No	53	5.7
Federal Light & Traction....	6 (C)	41.51	39.67	49.93	110	101	6.0
American Water Works & El.	6 (C)	22.63	24.30	31.05	110	100	6.0
Standard Gas & Electric.....	4 (C)	20.00	16.76	14.07	No	65	6.2
Electric Power & Light......	7 (C)	13.83	16.21	17.00	110	106	6.6
Continental Gas & Elec. Prior	7 (C)	26.28	32.71	22.39	110	104	6.7
Postal Tel. & Cable..........	7 (N)	....	....	7.19	110	103	6.8
Hudson & Man. R. R. Conv..	5 (N)	40.32	40.70	37.02	No	74	6.8
Amer. & Foreign Pow. 2nd...	7 (C)	8.89	3.58	5 33	105	93	7.5

Industrials

	Div. Rate $ per Share	Earned $ per Share 1926	Earned $ per Share 1927	Earned $ per Share 1928	Redeemable	Recent Price	Yield %
Mathieson Alkali Works......	7 (C)	67.86	74.06	84.50	No	123	5.7
Case (J. I.) Thresh. Mach...	7 (C)	29.39	38.43	32.59	No	122	5.7
Bethlehem Steel Corp.........	7 (C)	20.84	16.32	19.16	No	122	5.7
Baldwin Locomotive	7 (C)	29.42	12.21	1.66	125	120	5.8
General Cigar	7 (C)	51.26	67.32	62.81	No	119	5.9
American Locomotive	7 (C)	20.88	16.60	10.83	No	117	5.9
Brown Shoe	7 (C)	29.69	44.12	35.27	120	117	5.9
Deere & Co.	7 (C)	23.22	25.74	29.52	No	118	5.9
Bush Terminal Buildings.....	7 (C)	‡	‡	‡	120	114	6.1
Goodrich (B. F.) Co..........	7 (C)	13.96	39.19	10.36	125	112	6.2
Spicer Mfg. Conv............	3	58.54	74.42	26.00	57½	48	6.2
Crucible Steel	7 (C)	26.19	22.47	22.54	No	110	6.3
Bucyrus-Erie	7 (C)	....	....	39.34	120	112	6.3
International Silver	7 (C)	24.39	30.82	27.48	No	110	6.4
Associated Dry Goods 1st....	6 (C)	27.67	24.10	24.55	No	94	6.4
American Sugar	7 (C)	14.08	7.97	14.60	No	108	6.5
General Cable Co............	7 (C)	27.69	25.72	25.92	110	105	6.6
U. S. Smelting, Ref. Mng....	3.5 (C)	6.25	6.28	8.43	No	53	6.6
Glidden Co. Prior...........	7 (C)	23.91	32.69	32.69	105	104	6.7
Tidewater Assoc. Oil conv...	6 (C)	13.35	7.35	19.49	105	90	6.7
Bush Terminal Debentures	7 (C)	16.81	18.88	20.55	115	104	6.7
Commerce Investm. Trust 1st.	6½ (C)	27.72	24.36	45.50	110	92	6.9
Goodyear Tire & Rubber.....	7 (C)	11.83	18.80	18.90	110	101	6.9
Loew's, Inc.	6½ (C)	....	....	57.12	105	94	6.9
Otis Steel Prior..............	7 (C)	16.36	11.80	28.68	110	98	7.1
International Paper	7 (C)	11.31	7.42	4.53	115	90	7.8
Consolidated Cigar Prior.....	6½ (C)	....	26.45	32.74	105	80	8.1

C—Cumulative. N—Non-cumulative. § Earned on all pfd. stocks. ‡ Guaranteed unconditionally by Bush Terminal Co. ** Adjusted to basis of present stock.

EDITORIAL PAGE

Building Your Future Income

An Informative Department On Estate Building

The Time to Invest

INVESTMENT opportunities always exist and are not necessarily created by the continuous fluctuations which occur in their quoted values, as many people are wont to believe. To defer a proposed investment in a highly rated security and in which the investor has complete confidence, hoping that certain events or conditions will create a more favorable opportunity, may or may not prove a person's sagacity but it surely admits of speculation. It is also an established fact that the rank and file of investors and speculators alike are prone to let these much sought after opportunities pass unheeded, even after they have been made available by a sharp technical reaction. Investment enthusiasm does not thrive on a declining market.

The price of any corporate equity, beyond a certain tangible value, is an arbitrary estimation of a company's future prosperity and ability to pay increasing dividends. The pre-determination of a future event is naturally attended by more or less inaccuracy and errors may be made on the side of conservatism as well as in the manifestation of excessive enthusiasm. There are many companies, however, which comprise an integral part of the nation's industrial fibre and which have shared liberally in its progress and prosperity. We are still a young nation, albeit our resources and position in world affairs belies the suggestion of infancy, and the great majority of our national industrial units will continue to flourish in such a manner as to bring generous reward to their stockholders.

Everyone is probably aware of the huge returns, both in dividends and price appreciation which an investment in American Telephone & Telegraph, and other leading enterprises would have produced had their shares been purchased ten, even five years, ago. Stock prices looked high in 1916 and again in 1925 but glancing back at the quotations in those years, they seem ridiculously inadequate in contrast with prevailing price levels. It is this contrast that makes present prices appear so high and confusing to the prospective investor to a point where he hesitates to support his own judgment and confidence by purchasing selected equity issues. Investment as opposed to speculation presupposes the intention and desire of the investor to buy sound and seasoned securities and hold for income and future price appreciation, rather than a short swing. It is probable that many of the favored issues can be expected to sell lower at various times but no strong argument can be advanced against the likelihood that existing high prices will again be dwarfed during the next decade.

It therefore seems a safe conclusion that an investment in the equity issues of recognized merit can be undertaken advantageously whenever the necessary funds are available.

Weighing the Advantages of U. S. Government Insurance

— Other Problems of Readers Discussed —

By FLORENCE PROVOST CLARENDON

Insurance Editor:

At the present time I have a U. S. Government 30-year endowment policy for $5,000, which matures in 1949 and on which I pay a yearly premium of $124.65. It gives a yearly dividend of about $10.

I have been approached by an insurance agent for a company in New York who tells me that I can get a 20-year paid-up life policy of $5,000 with disability clauses for $165.55 per year. This would mature in 1949.

I make the following summary:

$5,000 *Policy*	*U. S. Govt.*	*N. Y. Company*
Year prem.	$124.65	$165.55
Policy	*30-yr. end.*	*20-yr. life*
Due	1949	1949
Div. per yr.	$10	$40
20 yrs. of prem.	2,493	3,311
20 yrs. of divid.	200	800
Total net payment	2,293	2,511

My total net payments to the New York company for 20 years would be greater than to the Government, but in September of this year I shall have $1,055.35 cash surrender value with the Government. Against this value is a loan of $800 at 6% and I see no immediate prospects of repaying it.

I am thinking of surrendering my Government insurance and taking the other policy. By so doing, I would have the same insurance protection, I would wipe out my debt to the Government and receive enough from the cash value to cover the extra I would have to pay in premiums to the New York company.

As far as I see, my only loss would be in changing from old age income to straight insurance with its dividends each year after 1949.

I have always been led to understand that U. S. Government insurance could not be bettered and that any scheme which appeared to more advantage should be closely analysed. Therefore, would you please give me your opinion. *H. P.*

The "summary" in your letter submits for comparison two policies on entirely different forms—i. e., a 30-year endowment and a 20-payment life. On the former plan, the face amount of the policy ($5,000) is payable on maturity of the endowment period to the insured, or in event of his death prior to that date to his beneficiary. On the 20-payment contract, the proceeds are payable to the beneficiary, and premiums are completed and the policy paid-up in the 20th year,—the face value of course payable *on the death of the insured.*

The New York company you mention is a reputable Old Line institution; but if the agent is trying to induce you to drop your Government policy in order to take one on a different plan with his company, we think he is acting in an unethical manner. Dividend figures in his company, as in every other insurance institution, when projected into the future can only be *estimates,* not guarantees. Moreover, you cannot drop this 30-year endowment, after paying premiums for 10 years without disadvantage to yourself.

You doubtless are aware that the very liberal disability benefit included in the Government insurance is a provision without cost to the insured—a fine gesture on the part of the Government toward those who participated in the World War. Moreover this disability benefit is operative in event of total and permanent disability of the insured *at any time* throughout the life of the policy contract. Under the disability provision of the private company you name, which requires an extra annual premium, the benefits are provided *up to age* 60.

Your 30-year endowment provides protection for a beneficiary for 20 years longer, in event of your death prior to 1949, and on maturity you yourself will receive the proceeds of the policy and enjoy the fruits of your earlier saving. You should of course try to pay off the existing loan of $800, thus carrying the full $5,000 protection and savings fund for old age.

Cost of Annuities

Insurance Editor:

I am 55 years of age and have been thinking of "annuity" plans commencing say at age 65.

If I should pay $1000 at my present age, how much, per month, would an insurance company pay me for the balance of my life commencing at age 65?

If I should pay some company $10 per month until I am 65, how much would the company pay me per month during the rest of my life?

Would you recommend an "annuity" plan something along the line suggested or would it be better for me to pay it to some Building and Loan Association over these years and create my own annuity fund—using the funds so accumulated for that purpose?

I have been carrying building and loans over a period of years and have arranged it so that maturities on these will fall due about one year apart commencing in 1933.

My idea, of course, is to arrange a regular monthly income to provide for later years in my life. Kindly give me figures as above for a "joint annuity," my wife being 50 years of age. *E. E. M.*

The single premium of $1,000 paid at age 55 (male) would provide at age 65 a monthly income for life of $17.50.

If you paid an annual premium of $120 at your present age and continuing till age 65, this would provide at the latter age throughout the remainder of your life a monthly income of approximately $15. At age 65 male and age 60 female, for a joint and survivor annuity, each $100 of annual income would require a purchase price of approximately

(Please turn to page 806)

How Your Dividend Payments Are Made

By W. G. Bowdoin

MORE and more is it true that small investors are buying the common stocks of old established and well managed railroads, public utilities, and other enterprises with long records of consistent dividend payments. Numerous large companies such as the Standard Oil of New Jersey and General Motors, are selling stock to their employees, confident that if the employee has a financial interest in his company, his worth and dependability are increased. This arrangement insures mutual satisfaction and a sense of loyalty and security. It is also quite common to find the average person owning the securities of his electric light company, telephone company, etc. The army of stockholders is steadily growing.

Stock Transfers

It thus becomes increasingly interesting to know something of the process of dividend paying and of the steps that must be taken by a large corporation with thousands of stockholders sharing in its profits through the medium of regular dividends.

The first step taken by the investor after purchasing one or more shares of stock is to have the stock certificate transferred to his or her own name. This is accomplished by giving the necessary instructions to the broker through whom the transaction was made. He will in turn send the certificate, properly endorsed and assigned, to the bank or trust company which has been designated by the company to act in the capacity of transfer agent. Many large corporations, however, conduct their own transfer departments.

Dividend Mailing Order

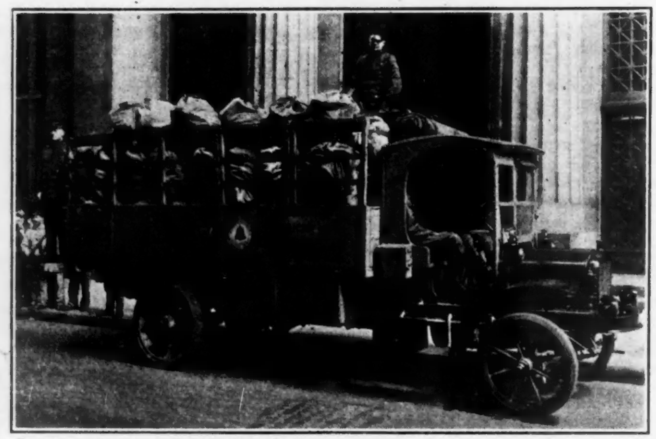
After being listed on what is known as the transfer sheets, the stockholder's name, address, certificate numbers and the number of shares are posted in a stock ledger. Following which, the certificate is returned to the broker who will in turn mail or deliver it to his customer. Accompanying the certificate will be a dividend mailing order on which the stockholder must indicate the address to which he desires his dividend checks mailed. It is possible that he would prefer to have them sent direct to his bank or office rather than to his private address. In any event, the dividend mailing order must be returned to either the company or the transfer agent for no checks are mailed for which a proper order is not filed.

When earnings warrant, a prosperous company will, by a resolution of its Board of Directors, declare a dividend. In this declaration it is stated when the transfer books are, or are not, to be temporarily closed against further transfers pending payment of the dividend. This matter is governed by the by-laws of the corporation. Some companies advertise the dividend payment in the local papers or in trade publications, but others do not. There is no general law regulating the practice. It is merely a convenience.

The company then forwards a certified copy of the resolution of the Board of Directors to the transfer agent. This contains the date of record and all stockholders listed on the books as of that date will be entitled to receive the declared dividend.

Clerical Details

Having received official notice, the record date having been established, and the books closed in accordance with the company's instructions, allowing no further transactions, the ledgers are proved. Subsequently a dividend list is then run off in the stencil department, using prepared zinc stencils, showing the name and address of the shareholder. This list is then checked by especially trained employees who



Courtesy, American Tel. & Tel. Co.

A truck load of mail sacks containing dividend checks

Many Investors Accustomed to Regularly Receiving Their Dividend Checks Are Probably Heedless of the Vast Amount of Clerical Work Involved. How It Is Done and Some of the Complexities Involved Are Treated in This Article.

also insert the number of shares and the amount of the dividend each stockholder is entitled to receive. After the stencil department has completed the dividend list, the dividend checks are then addressed. These checks are turned over to the dividend disbursement department, together with the list of stockholders. This list has been carefully compiled to show the proper holding and the amount of dividend each shareholder is to receive.

Mechanical Aids

A check cutting machine is then used for check protection. It stamps the face of the check with indelible ink. This machine has a drum which revolves, and is guided by a dial containing the various combinations of shares in numerical sequence. It is so constructed that it multiplies itself, that is to say one share would be marked $1, two would be $2, and 100 would be $100, provided $1 was the dividend unit paid on each share. Such drums are prepared for each dividend, according to the rate to be paid. When all the checks have been drawn, they are added on an adding machine to insure accuracy. Everything must balance. The checks are then signed by the proper officers, who are sometimes specially appointed for this purpose, because of the tremendous volume of such business.

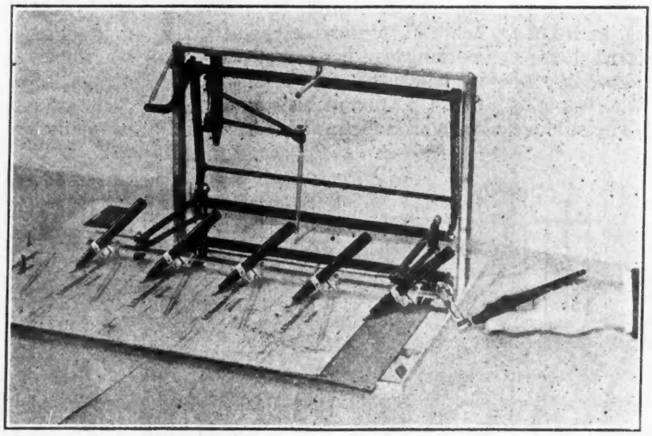
In the giant corporations, such as the U. S. Steel Corp., Pennsylvania Railroad, New York Central Railroad, American Telephone & Telegraph, and many banking institutions, where dividend payments and transfers are very large, an instrument called a signagraph is used, by means of which five to ten original signatures may be affixed simultaneously, to a like number of checks. The time required varies with the capability of writers: some sign three, some four and some five thousand per hour. This is an appreciable item when the stockholders run over 500,000 as in the case of the American Telephone & Telegraph Co.

The checks signed by the authorized official, are placed together with any notice which the company may wish to send stockholders, in "window" envelopes which reduce the possibility of error and save time in addressing. They are then held until the time specified by resolution. The company's check is forwarded to the dividend disbursing agent, for the gross amount involved, if it has not previously done so. This formality, of course, is finished before the mailing day. As the last step the dividend checks are mailed, usually at 3 P. M. on the day before the dividend is payable to the stockholders of record.

Payment By Banks

If the reader could visualize the immense number of checks that go out periodically to all parts of the world, as dividend payments, from innumerable companies engaged in multiform enterprises, it would appear marvelous when it is understood how quickly and smoothly this important function is accomplished. Most companies whose shares are available to the public find it profitable and efficient to delegate the task of disbursing their dividends to the numerous banks and trust companies which perform such service. In other instances, however, particularly among companies with the largest number of stockholders, a special staff is maintained for the purpose of handling the vast amount of clerical detail involved to insure the prompt receipt of dividends by the hundreds of thousands of investors everywhere.

While the disbursement of dividends is only one of the many phases which enter into the relationship between a company and its stockholders, it is of prime importance and fully warrants the careful attention given to it. The dividend check is the keynote of a company's prosperity and a potent element in the creation of good will.



Courtesy, L. E. Waterman Co.

A signagraph model by which five checks may be signed at one time

"Paid Up" Building and Loan Certificates Attractive for Investment

These Shares Offer Diversity to Stock and Bond Buyer

By Milton M. Schayer

Many investors look upon the Building and Loan Associations solely in the light of the plan that these associations offer for purchasing shares on the monthly installment plan. Excellent as the latter plan is for the purposes of the small investor, it is by no means the only investment plan that they offer. The "paid up" certificates, which call for a lump sum investment, is also offered by many of the same associations that have a "monthly payment plan." The advantages and disadvantages of the former plan are discussed here.

MANY investors have learned to diversify in order to best meet their constantly changing needs. Many who held but one class of security now own some stocks with a speculative value along with preferred stocks with a greater margin of safety and a backlog of bonds for fixed income purposes. This constantly growing class of investor is continually seeking other outlets for funds which yield a higher interest return than bonds, yet which will have a comparable degree of safety. With this investment purpose in mind the alert investor is beginning to look with favor to the fully paid shares of Building and Loan Associations, as an outlet for his "backlog" funds.

For more than 90 years an investment in Building and Loan shares has been regarded as a vehicle for the exclusive use of the man or woman who wants to invest monthly sums. Their unique system of installment payments and their investment plan make these institutions generally approved channels by which the average man is enabled to approach the status of financial independence. As the word "Sterling" guarantees the quality of silverware, so has the phrase "Building and Loan" been synonymous with safety of principal as well as a good return on the funds invested.

The business was originally organized and designed to serve a twofold purpose, each of equal importance. First, it provides a financial agency in which the working man has confidence—one in which he can systematically save a portion of his wages. Secondly, it is the function of a Building and Loan Association to lend the accumulated savings of its members on improved real estate. These loans are made to people who have the wholesome ambition to own their homes. To many of these prospective home buyers, the problem of a "down payment" is a serious matter, and financing the repayment of a mortgage on any other method than a monthly repayment plan assumes the proportion of a major problem.

Despite opportunities to use its funds in other ways, and to earn higher interest rates, the managers of Building and Loan Associations have fortunately continued in the even tenor of their very helpful and constructive course. Over 90% of the seven billions of dollars invested in Building and Loan are loaned on single and two-family residences. Apartment houses, however, are also favorably regarded by many Association managers.

To the sources from which the Associations are drawing new money, there has come a very important addition, one which has reached marked proportions. It has resulted in such a stream of money be-

ing poured into the Building and Loan Associations as to entitle it to consideration as a fundamental change in the nature of the institution. Today, in describing the Building and Loan business, it would be more accurate, therefore, to say that it has three principal parts; the two already mentioned and the third rapidly growing branch, variously known as Fully Paid Shares or Certificates, or Time Deposits, or Prepaid Shares.

While it is intended in this article to point out the advantages of this kind of an investment, a warning is also in order. Not all Building and Loan shares are of equal soundness. The eagerness with which these shares or certificates or prepaid deposits have been absorbed by a well intentioned but apparently undiscriminating public is a matter of some concern to many reputable Building and Loan executives. These men jealously guard the high standing and excellent reputation the business has so justly earned. They earnestly wish that the investing public might exercise greater care in selecting the associations in which they place their funds. Nor should caution cease even when this has been done. The investor should become thoroughly familiar with and learn in detail the terms and conditions of the various certificates that are being so widely offered. Instances have been observed where investors purchased certificates that they believed were payable on demand, or a one-year certificate. When the certificate was presented for payment the investor learns, to his sorrow, that it was encumbered with terms and conditions that seriously interfered with its liquidity.

The paid-up certificates are usually issued in units of $100 or multiples thereof. As a rule the more conservative associations limit the amount they will accept from any investor to one or one and a half per cent of the association's assets. In other words, an association whose assets total about a million dollars, would not accept more than ten or at the outside fifteen thousand dollars from any individual, firm or corporation. This is sound financing. A Building and Loan Association as a rule does not carry large cash reserves and do not want to be put in a position where a large withdrawal of funds would interfere with their current loaning program.

Generally speaking, these certificates range in dividend returns from 5 to 8% per annum. Dividends are usually payable semiannually, although some associations will pay dividends quarterly if requested. Some associations issue certificates with interest coupons attached, or they will pay dividends by check thus enabling the investor to choose the plan that best meets his needs.

There are many elements that enter into the establishment of the dividend rate which varies, as has been said, from 5 to 8%. Chief among them is the Association's lending plan, which in turn is largely governed by the volume of assets as well as by the competition the association must meet. The character of the management of each association, likewise, is a factor that has much to do with determining the price paid for money. Many of the smaller conservative associations, operating in some Western and Southern States, can well afford to pay 7% for three or five year money. It is not only the

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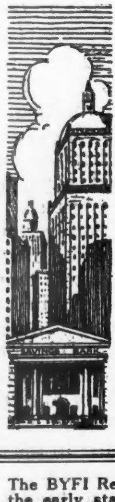
BYFI RECOMMENDS—



For Saving

1. **SAVINGS BANKS.** A convenient depository for the accumulation of regular or intermittent savings at compound interest. Funds are always available and may be withdrawn as soon as they reach suitable proportions for employment in more profitable mediums.

2. **BUILDING AND LOAN** shares serve as convenient, long range (10 to 12 years) mediums for the accumulation of savings. Through regular monthly payments this form of savings also possesses the element of gentle compulsion.

3. **ENDOWMENT INSURANCE** is a means of securing insurance protection and at the same time accumulating savings. Also possesses merit of regularity in savings but in view of small return, should not occupy too large a place in the accumulating program.

For Investment

Security	Recent Price	Yield %
1. Illinois Central 40-Year 4¾s, 1966	98	4.9
2. Public Service Elec. & Gas. 1st & Ref. 5s, 1965	101	4.9
3. Standard Oil of N. Y. deb. 4½s, 1951	95	4.8
4. Western Pacific 1st 5s, 1946	98	5.1
5. Youngstown Sheet & Tube 1st SF. "A" 5s, 1978	100	5.0
6. New York Steam 1st "A" 6s, 1947	106	5.7
7. Chesapeake Corp. Conv. Coll. 5s, 1947	99	5.1
8. Associated Dry Goods 1st 6% Pfd.	90	6.7
9. Hudson & Manhattan Conv. 5% Pfd.	70	7.1
10. Southern Pacific Common $6	142	4.2

The BYFI Recommendation Table is intended primarily to serve as a constant guide to inexperienced investors through the early stages of their income building program. On the left, the advantages of each of three principal mediums for accumulating regular savings are outlined. On the right, a progressive tabulation of investment securities suitable for the employment of sums accumulated through savings is presented. These issues, if purchased in the order listed are intended for a permanent investment, and as such, will ultimately provide a sound backing of income producing securities, affording safety of principal, fair return, and offering the protection of diversity.

·SERVICE·SECTION·

ANSWERS TO INQUIRIES

SUBSCRIBERS—ATTENTION

The Personal Service Department enables you to adapt THE MAGAZINE OF WALL STREET to your personal problems. If you are a yearly subscriber, you are entitled to receive FREE OF CHARGE a reasonable number of PERSONAL REPLIES BY MAIL OR WIRE on any security in which you may be interested. The inquiries presented in each issue are only a few of the thousands currently received and replied to. The use of this personal inquiry service in conjunction with your subscription to the Magazine should help you to get hundreds or thousands of dollars of value from your $7.50 subscription.

Inquiries cannot be received or answered by telephone nor can personal interviews be granted. Inquiries from non-subscribers of course will not be answered.

Are You Sure of Your Broker?

We invite correspondence from readers desirous of ascertaining the status of brokers with whom they intend to do business. We make no charge for this service, as we recognize the importance of having our readers deal through reliable firms.

Subscribers wishing to avail themselves of the privileges of the Personal Service Department should be guided by the following:

1. ***Be Brief.***
2. ***Confine requests for an opinion to THREE SECURITIES ONLY.***
3. ***Special rates upon request to those requiring additional service.***
4. ***Write name and address plainly.***

EASTMAN KODAK CO.

I have a paper profit of $400 on 20 shares of Eastman Kodak bought in May. Shall I continue to hold? If so, would you advise exercising my rights to purchase 2 additional shares at $150 each?—J. L. K., Cumberland, Md.

Ranking as the world's largest manufacturer of photographic cameras and supplies, the Eastman Kodak Co., has shown uninterrupted growth from year to year accompanied by steadily increasing profits. In the matter of developing new products and improved methods, the company's aggressiveness has been particularly noticeable, 1928 being especially fruitful in that respect. Of unusual importance was the perfection of a process which enables the amateur photographer to take and reproduce motion pictures in color. Two new subsidiaries were formed one for the purpose of manufacturing a check protecting machine and another for the production of educational motion pictures. Net profit last year came within a fraction of equalling the record-breaking results achieved in 1927 and were equivalent to $9.59 per share as contrasted with $9.61 per share the previous year. Actual figures covering results for the first half of the current year are not available but it is reliably reported that earnings have shown considerable gain, responding to the company's advertising campaign and prize contest. The recent offering of additional stock will provide the company with the necessary funds for substantially adding to present plant capacity. This program may be expected to have an important bearing on future earnings as will expansion activities abroad. Financial position is exceptionally strong, permitting a liberal dividend policy, the present rate being $5 regular and $3 extra. The company's long pull outlook is unquestionably favorable and we would not hesitate to advise present stockholders to exercise their right to purchase additional stock. Primarily, however, the shares at present levels must be regarded as essentially a longer range proposition.

WHITE MOTOR CO.

What are the nearby prospects for White Motor. I have 100 shares bought in April at 48½. Shall I take my loss with a view to using this capital to better advantage in buying some other stock?—W. G. B., Portland, Ore.

While, there is no strong likelihood that the common stock of White Motor Co. will gain substantially in value during the near term, we would, however, prefer to suggest retention by present holders as opposed to contrary action involving a sacrifice. The existence of several adverse factors in the truck industry during the past two years have unfavorably affected the company's earnings and the large profits shown in 1925 and 1924 have not since been equalled. Net income last year was equal to $2.90 per share on the 800,000 shares of common stock outstanding. This showing, although better than the preceding year did not afford any considerable margin of safety for dividend payments. The improvement in the first six months of the current year, however, was more pronounced, net income amounting to $1.75 per share after charging off $750,000 for expenses in connection with the introduction of a new model. The stronger financial position as revealed by a recent balance sheet is encouraging, particularly so as the betterment has been effected in the company's cash position. In the event that the company is successful in sustaining

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Blue Ridge Corporation

1,000,000 Shares Optional 6% Convertible Preference Stock, Series of 1929

(par value $50 per share)

1,000,000 Shares Common Stock

(no par value)

Holders of Preference Stock of this series are entitled, in preference over the Common Stock, to receive cumulative dividends in Common Stock of the Company at the quarterly rate of 1/32 of a share of Common Stock per share of Preference Stock, or at the option of such holders to receive cash at the cumulative quarterly rate of 75c per share.

Preference Stock of this series is convertible, at the option of the holders at any time up to and including the second day prior to the redemption date, into Common Stock at the rate of 1½ shares of Common Stock for each share of Preference Stock, with provisions for adjustment of the conversion and stock dividend rates in the event of split-ups, combinations, certain Common Stock dividends and rights to subscribe, all as set forth in the Certificate of Incorporation, and subject to the provisions therein contained with respect to consolidation, etc. Redeemable at any time in whole or in part on 30 days' notice at, and entitled in liquidation to receive, in preference over the Common Stock, $55 per share and accrued dividends.

Transfer Agents	*Registrars*
Manufacturers Trust Company, New York	Pacific Trust Company, New York
The National Shawmut Bank of Boston	United States Trust Company, Boston

CAPITALIZATION

	Authorized	To Be Immediately Outstanding
Preference Stock (par value $50 per share)	10,000,000 shs.	
Series of 1929, Optional 6% Convertible (dividend payable quarterly, cumulative from September 1, 1929)		1,000,000 shs.*
Common Stock (no par value)	30,000,000 shs.**	7,250,000 shs.*

*In addition a further number of shares of Preference and Common Stock may be issued by the Company in exchange for certain common stocks.

**There are to be reserved the number of shares required for conversion of Preference Stock of this series to be immediately outstanding and for stock dividend requirements on such Preference Stock for eight years.

This advertisement is subject to the more complete information contained in a letter from Mr. C. F. Stone, President of the Company, setting forth information regarding the Company and its Preference and Common Stocks. There may be obtained from the undersigned copies of this letter which Mr. Stone has summarized in part as follows:

"Blue Ridge Corporation, hereinafter called the 'Company', has been formed under the laws of Delaware to buy, sell, trade in and hold stocks and securities of any kind, to participate in syndicates and underwritings and to exercise such other of its charter powers as its Board of Directors may from time to time determine. The Company has been organized at the instance of Shenandoah Corporation; the latter corporation is to purchase for long time investment 6,250,000 shares of Common Stock of the Company for $62,500,000 cash.

Shenandoah Corporation was organized in July, 1929, under the joint sponsorship of The Goldman Sachs Trading Corporation and Central States Electric Corporation. Each of these corporations then acquired and now holds for long time investment 2,000,000 shares of the common stock of Shenandoah Corporation. The Goldman Sachs Trading Corporation and Central States Electric Corporation are now purchasing for long time investment from Shenandoah Corporation for cash at par and accrued cash dividend 750,000 shares (par value $50 per share) of its Optional 6% Convertible Preference Stock, Series of 1929, and at $33⅓ per share 750,000 shares of its common stock. The sale of these shares of preference and common stock, all of which will be of additional issue, will provide Shenandoah Corporation with the required $62,500,000 cash.

The membership of the Board of Directors of the Company is identical with that of Shenandoah Corporation, namely, Harrison Williams, Clifford F. Stone, Waddill Catchings and Sidney J. Weinberg, and John Foster Dulles of counsel.

The Company will commence business with at least $127,500,000 of cash and/or common stocks, valued at or below the closing prices on August 17, 1929 on the New York Stock Exchange on which all such stocks are listed. The proceeds from the sale of the 1,000,000 shares of Preference Stock and 7,250,000 shares of Common Stock will be net to the Company, as all of the expenses in connection with its organization and the issue and distribution of these shares are to be borne by the bankers.

The Company has entered into a contract with Shenandoah Corporation which provides in substance that, so long as Shenandoah Corporation owns at least 6,250,000 shares of the Common Stock of the Company, then, in case the Company shall have issued during any year additional shares of its Common Stock, the Company will issue to Shenandoah Corporation warrants, exercisable at any time thereafter, for the purchase of not more than an equal number of additional shares of Common Stock. The price per share at which such warrants will entitle holders to purchase shares of Common Stock shall be the net asset value per share of the outstanding Common Stock of the Company at the close of such year, determined by valuing the Company's assets at cost or market, whichever is higher, but the price shall not be less than $20 per share, subject, in case of both the warrant price per share and the minimum price per share at which warrants may be issued, to adjustment in the event of split-ups, combinations, certain Common Stock dividends, rights to subscribe, etc.

Except for this contract with Shenandoah Corporation, there are no options on any unissued stock or management contracts calling for compensation other than that to be paid to officers and employees in the regular course of business."

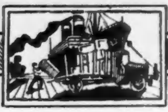
Preference Stock $51.50 Per Share and Accrued (Cash) Dividend

Common Stock $20 Per Share

These shares are offered subject to allotment or prior sale and in all respects when, as and if issued and/or delivered and accepted by us and subject to the approval of Messrs. Sullivan & Cromwell. We reserve the right to reject any and all subscriptions in whole or in part. It is expected that delivery of temporary stock certificates will be made on or about September 5, 1929, at the office of Goldman, Sachs & Co., 30 Pine Street, New York, N. Y., against payment therefor in New York funds.

GOLDMAN, SACHS & CO.

The statements contained in this advertisement, while not guaranteed, are obtained from sources which we believe to be reliable.



Trade and Industry Anticipate Active Fall Business

Most Lines Continue at Favorable Levels—Prices Firm

CHEMICALS

Enjoy Broad Markets

RECENT statistics show that at the present time the chemical industry ranks third in this country in capitalization, third in number of employees, and second in consumption of electrical energy. This position is not surprising when one considers that chemicals in some form are indispensable to virtually every other industry. Therefore, the high levels of industrial operations during the current year have inevitably resulted in heavy production and sales of chemicals. In fact, net profits for chemical manufacturers for the first six months this year were 35% above figures for the corresponding period in 1928.

Since the war this manufacture has

(*Please turn to page* 777)

COMMODITIES*

(See footnote for Grades and Units of Measure)

	1929 High	1929 Low	1929 Last
Steel (1)	$36.00	$33.00	$35.00
Pig Iron (2)....	18.50	17.50	18.50
Copper (3)	0.23½	0.16¾	0.18
Petroleum (4)...	1.45	1.20	1.45
Coal (5)	1.70	1.60	1.60
Cotton (6)	0.21½	0.18	0.1895
Wheat (7)	1.65⅜	1.24⅛	1.45⅛
Corn (8)	1.21¼	0.98¼	1.20⅞
Hogs (9)	0.11¾	0.08⅞	0.11¼
Steers (10)	17.00	14.25	16.75
Coffee (11)	0.18⅛	0.15¾	0.15¾
Rubber (12) ...	0.26⅛	0.18⅝	[illegible]
Wool (13)	0.45	0.37	[illegible]
Tobacco (14) ...	0.14	0.14	[illegible]
Sugar (15)	0.03⅞	0.03⅛	0.03⅞
Sugar (16)	0.05⅛	0.04⅞	0.05⅛
Paper (17)	0.03¼	0.03⅛	0.03⅛
Lumber (18) ...	25.38	24.30	25.18

* August 10, 1929.

(1) Open hearth billets, $ per ton; (2) Basic Valley, $ per ton; (3) Electrolytic, c. per pound; (4) Mid-Continent, 36°, $ per bbl.; (5) Pittsburgh, steam mine run, $ per ton; (6) Spot, New York, c. per pound; (7) No. 2 red, New York, $ per bushel; (8) No. 2 Yellow, New York, $ per bushel; (9) Light, Chicago, c. per pound; (10) Top, Heavies, Chicago, c. per lb.; (11) Rio, No. 7, spot, c. per lb.; (12) First Latex crepe, c. per lb.; (13) Ohio, Delaine, unwashed, c. per lb.; (14) Medium, Burley, Kentucky, c. per lb.; (15) Raw Cubas, 96° Full Duty, c. per lb.; (16) Refined, c. per lb.; (17) Newsprint per carload roll, c. per lb.; (18) Yellow pine boards, f. o. b. $ per M.

THE TREND IN MAJOR INDUSTRIES

STEEL—Although a slight decline in steel production in August seems indicated, operations will nevertheless be maintained at high levels and manufacturers will continue to benefit from economies of close to capacity output. No serious fluctuation in price has occurred and prospective demand from consuming industries remains good.

METALS—Although reported quiet at the moment, copper buying seems likely to be stimulated by increased Fall requirements in the near future. Production is still curtailed, stocks are not top-heavy and prices show no indications of weakening. In view of these facts the outlook for well situated companies is favorable.

PETROLEUM—Production continues its march upward, stocks are increasing and further price cuts in both crude and refined products seem imminent. On the other hand, demand is at record proportions and producers are undoubtedly profiting from current heavy operations, whatever the eventual outcome may be.

TOBACCO—Further heavy gains in cigarette production are reported and the market is evidently still far from the saturation point. Consumption is increasing and prospects point to unlimited expansion in foreign territories. Despite recent price cuts, earnings gains are expected to continue at high levels.

BUILDING—F. W. Dodge reports on construction contracts for July for 37 states east of the Rockies show an increase of 20% over June this year and a 12% gain over July, 1928. These reports are a marked contrast to the decreases that have been recorded for the first half year.

RAILROADS—With railroad revenue freight loadings the largest ever reported for this time of year, prospects for sustained high earnings by most roads are bright. It is possible, however, that roads operating in the American Northwest will suffer to some extent by decreased agricultural movements in that section.

AVIATION—Failure of demand to meet the estimated increase for this year has aroused keen competition in manufacturing branches of this industry. While larger interests are well able to cope with the situation, smaller companies are declared to be operating at a deficit which may force liquidation if sustained.

RADIO—In line with steady increases in sales and production during the past few years, radio is going through the normally dull Summer period with operations at close to capacity rates. Prosperity within the industry, however, is spotted and those companies controlling popular patents are showing the greatest profits.

SUMMARY—It is highly probable that, since the current Summer recession has been so slight, the usual compensating Fall bulge will be proportionately small. However, with prospects of operations in general continuing at present high rates, the outlook is one to warrant confidence.

(Continued from page 776)
been developing under favorable conditions and the present position finds the industry controlled by several large, soundly financed and competently managed companies which are able to regulate production, stabilize prices and market products in an efficient manner. Even more thorough control may be indicated by the fact that representatives of the Department of Commerce of the United States and officials of various domestic chemical companies are now in Paris studying the International Chemical Cartel there.

Although the United States accounts for about 25% of the world's exports of chemicals, these exports are but a small percentage of our total production and, so far, foreign trade has not been essential to the expansion of the industry.

With the prospect of sustained demand from industry in general and in view of production control, stability of prices, fair profit margins and conservative stocks, the outlook for chemical manufacturers seems favorable for sustained high earnings.

TEXTILES

Overproduction Still Retards

Leading all other industries for the first six months this year, textile manufacturers recorded a gain in net profits of 131% over the comparable period in 1928. This statement, however, loses much of its impressiveness when one considers that 1928 was a highly unsatisfactory year for all textiles except rayon and that even the forementioned increase has not placed the industry on a satisfactory basis. Barring rayon, the textile industry is suffering from overproduction and although sales volume has been heavy, prices are low and profits are thin.

While demand for cotton goods is increasing due largely to advertising campaigns and while a certain amount of unfilled orders have been reported, large production capacity and severe competition within the industry are expected to keep profits and earnings low. Silk and wool, although occupying slightly better positions, present about the same picture.

On the other hand, the rayon situation, while less promising than it has been, is still economically sound. Production and demand are balanced and although price reductions have been forced recently by foreign competition, returns are adequate in view of increased volume of production and reduced operating costs. It is readily seen that the growing popularity of

(Please turn to page 806)

New York Stock Exchange

RAILS

	1927 High	1927 Low	1928 High	1928 Low	1929 High	1929 Low	Last Sale 8/14/29	Div'd $ Per Share
A								
Atchison	200	161⅝	204	182⅝	282½	195⅛	273	10
Do Pfd.	106¾	99⅜	108⅛	102⅛	103⅞	99	101	5
Atlantic Coast Line	205½	174⅞	191½	157⅛	209⅛	169	195	‡10
B								
Baltimore & Ohio	125	106⅛	125⅝	103¾	138⅝	115⅛	132⅛	6
Do Pfd.	83	73⅛	85	77	80⅛	75	†75	..
Brooklyn-Manhattan Transit	70⅞	53	77¾	53⅝	81⅞	57⅛	59⅜	4
Do Pfd.	88	78⅛	95⅜	82	92⅝	81½	†80⅛	..
C								
Canadian Pacific	219	165	253	195½	265⅞	218	228¾	10
Chesapeake & Ohio	218⅛	151¾	218¾	175⅛	275½	195	266½	10
C. M. & St. Paul & Pacific	19¾	9	40½	22¼	43	27¾	37	..
Do Pfd.	37⅛	..	59⅝	37	63¾	46⅛	58⅛	..
Chicago & Northwestern	97½	78⅝	94¼	78	97¼	80¼	89⅜	4
Chicago, Rock Is. & Pacific	116	68⅛	139⅝	106	142⅞	115	137	7
Do 7% Pfd.	111¾	102⅜	111½	105	108¼	105¼	106⅛	7
Do 6% Pfd.	104	95¼	105	99½	102⅞	98⅛	99⅛	6
D								
Delaware & Hudson	230	171⅛	226	163¼	226	182	206¾	9
Delaware, Lack. & Western	173	130⅛	150	125¼	160⅛	120¼	145	‡7
E								
Erie R. R.	69¾	39⅛	72½	48⅝	87⅞	64	82¼	..
Do 1st Pfd.	66¼	52⅜	63⅞	50	66¼	57	61½	4
Do 2nd Pfd.	64½	49	62	49¼	63⅞	56	60	4
G								
Great Northern Pfd.	103⅞	79⅝	114¾	93½	128¼	101	119	5
H								
Hudson & Manhattan	65⅞	40½	73⅛	50⅛	58⅜	34⅛	†41⅛	..
I								
Illinois Central	139⅝	121⅛	148¾	131¾	153½	132½	143	7
Interborough Rap. Transit	52⅛	30⅛	62	29	58⅜	19⅝	20⅞	..
K								
Kansas City Southern	70¼	41¼	95	43	108⅞	78	99⅜	5
Do Pfd.	73½	64⅞	77	66⅛	70½	63⅛	67	4
L								
Lehigh Valley	137½	88⅛	116	84⅛	102¼	77¾	90	3½
Louisville & Nashville	159⅛	128⅜	159⅛	139⅜	153⅛	138⅛	144¾	7
M								
Mo., Kansas & Texas	56⅛	31½	58	30½	65¾	42⅛	53⅜	..
Do Pfd.	109½	95¾	109	101½	107½	102	104⅜	7
Missouri Pacific	62	37⅞	76¼	41⅞	101⅜	62½	92	..
Do Pfd.	118⅝	90⅛	126⅞	105	147	120	139⅞	5
N								
New York Central	171½	137⅛	196⅛	156	245	178⅛	236	8
N. Y., Chic. & St. Louis	240½	110	146	121¼	164	128⅛	162½	6
N. Y., N. H. & Hartford	63¼	41⅝	82¾	54⅜	120⅞	80⅞	118⅞	4
N. Y., Ontario & Western	41¾	23¼	39	24	32	23½	24⅜	..
Norfolk & Western	202	156	198⅛	175	263	191	255	‡10
Northern Pacific	102⅛	78	118	92⅜	118⅞	95½	109	5
P								
Pennsylvania	68	56¾	76⅞	61⅞	99	72½	94	4
Pere Marquette	140½	114½	154	124⅞	203¾	148	198	‡8
Pittsburgh & W. Va.	174	122½	163	121¼	148¾	125⅝	†135	..
R								
Reading	123¾	94	119⅝	94¼	126⅞	101⅛	120½	4
Do 1st Pfd.	43½	40⅛	46	41½	46	41⅛	†46	..
Do 2nd Pfd.	50	43¾	59⅞	44	50	43⅝	†46	..
S								
St. Louis-San Fran.	117⅛	100¾	122	109	133	109½	124	8
St. Louis-Southwestern	93	61	124⅛	67½	115¾	82	†103	..
Seaboard Air Line	41⅛	28⅛	30½	11⅝	21¾	12	13⅞	..
Do Pfd.	45⅝	32⅛	38	17	24½	16¼	†20	..
Southern Pacific	126⅞	106¼	131¼	117⅝	150	124	141	6
Southern Railway	149	119	165	139⅛	160½	138	148	8
Do Pfd.	101⅛	94	102¼	96⅝	99	93	96¾	5
T								
Texas & Pacific	103⅜	53⅞	194⅝	99½	181	155	†158¾	..
U								
Union Pacific	197¾	159⅛	224⅞	186½	280	209	271½	10
Do Pfd.	85¾	77	87¼	82⅛	84⅝	80⅛	81¾	4
W								
Wabash	81	40⅛	96¼	51	81⅜	60	68	..
Do Pfd. A	101	76	102	88⅛	104⅞	88¼	83¼	5
Do Pfd. B	98	65	99½	87	93	79	†93	..
Western Maryland	67⅞	13¾	54¾	31¾	54	32½	43	..
Do 2nd Pfd.	67½	23	54⅞	33½	53½	38½	42	..
Western Pacific	47½	25⅛	38½	28¼	41⅞	32	35	..
Do Pfd.	76⅜	55	62⅛	52½	67¾	56	62¾	..

INDUSTRIALS and MISCELLANEOUS

	1927 High	1927 Low	1928 High	1928 Low	1929 High	1929 Low	Last Sale 8/14/29	Div'd $ Per Share
A								
Abitibi Power & Paper	150¼	83	85	36¼	55¾	38⅛	55½	..
Abraham & Straus	118¾	62¼	142	90	112	106	†100¾	..
Advance Rumely	15¾	7⅝	65	11	104⅞	27	33	..
Air Reduction, Inc.	199⅛	134⅛	99⅝	59	181¾	95⅛	177⅞	3
Ajax Rubber, Inc.	13¾	7½	14⅜	7⅛	11¼	4⅛	4⅛	..
Allied Chemical & Dye	169¼	131	252¾	146	346¾	241	324	6
Allis Chalmers Mfg	118¾	88	200	115⅛	284½	166	270	7
Amer. Agricultural Chem.	21½	6⅛	26	15⅝	23⅝	10⅛	11¾	..
Amer. Bank Note	98	41	159	74¾	148⅞	110	137½	‡3
Amer. Bosch Magneto	26¾	13	44⅝	15⅜	73¼	40⅛	63⅛	..
Amer. Brake Shoe & Fdy	46	35½	49⅛	39⅞	62	45	59¼	2.40
American Can	77⅝	43⅝	117⅛	70⅛	170⅛	107¾	169¼	‡4
Amer. Car & Fdy.	111	95	111⅛	88¼	106⅛	92	98⅜	6
Amer. & Foreign Power	31	18⅞	85	22⅝	147	75¼	134⅛	..
American Ice	32	25¾	46⅝	28	53	38	51¼	‡3
Amer. International Corp.	72¾	37	150	71	79⅝	52½	72½	2
Amer. Metal Co., Ltd.	49⅝	36⅛	63¾	39	81¾	50	73⅝	3
Amer. Power & Lt.	73⅜	54	95	62¼	158⅜	81⅛	145	1
Amer. Radiator & Stan. Sanitary	147⅞	110⅛	191⅛	130⅛	54½	40⅛	47	1½
Amer. Safety Razor	64⅞	42	74⅞	56	74¾	61	64½	‡5
Amer. Smelting & Refining	188¾	132⅝	293	160	124¾	93½	114½	4

Price Range of Active Stocks

INDUSTRIALS and MISCELLANEOUS—*(Continued)*

	1927 High	1927 Low	1928 High	1928 Low	1929 High	1929 Low	Last Sale 8/14/29	Div'd $ Per Share
A								
Amer. Steel Foundries	72¾	41½	70⅝	50⅛	79⅞	56	65⅛	3
Amer. Sugar Refining	95¾	65¼	93½	55	94⅝	71⅛	80	5
Amer. Tel. & Tel.	185½	149¼	211	172	292	193¼	281⅛	9
Amer. Tobacco Com	189	120	184⅜	152	197	160	188	8
Amer. Type Founders	146	119⅞	142¼	109⅞	160	136⅛	†142	..
Amer. Water Works & Elec.	72½	46	76½	52	148⅛	67⅛	140½	1
American Woolen	33⅜	16⅛	32⅝	14	27⅞	15⅛	15⅞	..
Amer. Zinc, Lead & Smelt.	10¼	5⅜	57	6⅝	49¼	22⅛	25	..
Anaconda Copper Mining	60½	41¼	120¼	54	140	99	120¼	7
Armour of Ill. Cl. A	15⅞	8¼	23⅛	11¼	18⅜	10¼	10½	..
Do Cl. B	9⅛	5	13½	6⅝	10¼	5⅛	5⅜	..
Arnold Constable Corp.	55½	21	51¾	35¼	40⅞	19	20½	..
Assoc. Dry Goods	53⅝	39½	75½	40¼	70⅝	43	48¼	2½
Atlantic, Gulf & W. I. S.S. Line	43⅛	30⅜	59⅞	37⅛	67¾	32⅛	63⅜	..
Atlantic Refining	131⅜	104	66½	50	77⅞	53⅛	65¼	‡2
Austin, Nichols & Co.	10¼	4¼	9¼	4⅝	10	5¼	8⅛	..
B								
Baldwin Loco. Works	265¾	143⅛	285	235	271½	210	250½	7
Barnsdall Corp. Cl. A	35⅛	20¾	53	20	49⅛	33⅛	37¼	‡2¼
Beech Nut Packing	74¼	50¼	101¼	70⅝	101	73	85¼	3
Bethlehem Steel Corp.	66½	43¾	86⅝	51⅞	128½	82⅛	126	6
Borden Company	169	167½	187	152	100½	83⅛	92¾	3
Briggs Mfg.	36⅝	19½	63⅝	21⅛	63⅛	30¼	34⅛	..
Bucyrus-Erie Co.	31	21½	48¾	24½	42¾	25⅛	29½	1
Burns Bros. new Cl. A Com.	125¾	85½	127	93½	127	96¼	†94½	..
Do new Cl. B Com.	34¾	16¼	43⅝	15⅞	39	22⅝	28	..
Byers & Co. (A. M.)	102¾	42	206¾	90½	192⅞	120¼	124	..
C								
California Packing	79	60¼	82⅝	68½	82⅞	72⅛	77⅛	4
Calumet & Arizona Mining	123⅛	61⅛	133	89	136¾	123	128⅛	10
Calumet & Hecla	24¾	14¼	47⅞	20⅛	61⅞	36⅝	44⅛	4
Canada Dry Ginger Ale	60⅛	36	86⅛	54⅞	98¾	78	88	5
Cerro de Pasco Copper	72½	58	119	58½	120	88⅝	97	6
Chile Copper	44⅝	38⅛	74⅞	37⅜	127½	71⅜	†85	..
Chrysler Corp.	63½	38⅛	140½	54¾	135	66	69⅞	3
Coca Cola Co.	199½	96⅛	180½	127	149½	120⅝	145	4
Collins & Aikman	113⅜	86	111¾	44⅛	72¼	41	41½	..
Colorado Fuel & Iron	96⅜	42⅝	84½	52⅛	78½	56	65	..
Columbian Carbon, V. T. C.	101⅜	66⅞	134¾	79	207	121¼	189	‡4¾
Colum. Gas & Elec.	98¾	82⅞	140⅞	89½	96⅞	53⅛	93⅝	2
Commercial Credit	24½	14	29	21	62⅝	43	46	2
Commonwealth Power	78¾	48⅝	110⅛	62¼	246	107¼	†225	..
Congoleum-Nairn, Inc.	29¾	17¼	31½	22	35¾	19⅛	23⅜	..
Congress Cigar	88½	47	87¼	67	492⅝	67	68⅛	‡5¼
Consolidated Gas of N. Y.	125¾	94	170¼	74	171⅜	95½	167⅞	3
Continental Baking Cl. A	74⅞	33⅛	53⅛	26½	90	47⅛	80⅜	..
Do Cl. B	10¼	4	9⅜	3¾	15¼	8⅛	12	..
Continental Can, Inc.	86⅞	58¾	128⅞	53	83¾	60	76⅞	2½
Continental Motors	13¾	8⅞	20⅛	10	21⅜	13	13⅝	.80
Corn Products Refining	68	46⅞	94	64⅝	107⅛	82	96½	‡3½
Crucible Steel of Amer.	96¾	76½	93	69¼	116¾	109	110	..
Cuba Cane Sugar	10¾	4⅞	7⅛	4⅝	5½	¾	1⅛	..
Cuban-Amer. Sugar	26½	18⅞	24¼	15⅜	17	11	12⅞	..
Cudahy Packing	58¾	43½	78¼	54	67⅞	49	50½	4
Curtiss Aero. & Motor Co.	69¾	45⅛	192¾	53⅛	173⅛	135⅛	159⅞	..
Cuyamel Fruit	55½	30	63	49	99	68	99	1
D								
Davison Chemical	48⅛	26¼	68¾	34⅝	69⅛	42⅞	48¾	..
Drug, Inc.	..	..	120⅛	80	126⅛	105	111¼	4
E								
Eastman Kodak Co.	175¼	126¼	194¼	163	207⅞	168	193⅝	‡8
Eaton Axle & Spring	29¾	21¼	68⅛	26	76¾	56	58¼	3
E. I. du Pont de Nemours	343⅞	168	503	310	202	155¾	187	‡4½
Elec. Power & Light	32⅜	16½	49⅜	28¾	84¼	43⅛	76⅝	1
Elec. Storage Battery	79½	63¼	91⅛	69	92⅞	77	83¾	5
Endicott-Johnson Corp.	81¼	64¾	85	74¾	83⅜	57⅜	67	5
Engineers Pub. Service	39⅝	21¾	51	33	79⅝	47	73⅞	..
F								
Federal Light & Traction	47	37½	71	42	100	68⅛	90	2½
Fisk Rubber	20	14¾	17¾	8⅞	20⅛	7⅛	7¼	..
Fleischmann Co.	71⅛	46⅛	89⅜	65	98⅛	65⅛	91	‡4
Fox Film Cl. A	85½	50	119⅝	72	101	80¾	92	4
Freeport Texas Co.	106½	34¼	109¼	43	54⅞	37¾	42	4
G								
General Amer. Tank Car	64⅜	46	101	60⅞	102⅝	81	99⅝	..
General Asphalt	96¾	65	94⅞	68	91⅛	61	88⅞	..
General Electric	146⅝	81	221½	124	399	219	392	‡6
General Motors Corp.	141	113¼	224¾	130	91¾	66¼	69⅝	‡3.30
General Railway Signal	153¼	82⅛	123⅝	84¼	122⅜	93½	115¼	5
Gold Dust Corp., V. T. C.	78¾	42	143¼	71	82	53⅛	60¼	2½
Goodrich Co. (B. F.)	96½	42¾	109¼	68½	105¾	72⅛	72⅝	4
Goodyear Tire & Rubber	69⅝	48⅜	140	45⅛	154½	104	105⅝	5
Graham-Paige Motors	..	..	61¼	16¾	54	24	22¼	..
Granby Consol., Min., Smelt. & Pr.	45	31⅛	93	39⅛	102⅞	62⅛	78¾	7
Great Western Sugar	44⅝	35⅛	38½	31	44	32¾	37⅞	2.80
Greene Cananea Copper	151½	29¼	177¼	89⅝	197⅝	136⅛	182	8
Gulf States Steel	64	40	73⅞	51	79	55¼	70¼	4
H								
Hershey Chocolate	40¼	37⅞	72½	30¾	117⅜	64	114	..
Houston Oil of Texas Tem. Ctfs.	175	60⅛	167	79	109	68⅛	79	..
Hudson Motor Car	91½	48¼	99⅞	75	93½	75⅛	82¼	5
Hupp Motor Car	36¼	16	84	29	82	38½	40½	‡2
I								
Inland Steel	62⅜	41	80	46	99	78½	96½	3½
Inspiration Consol. Copper	25½	12⅛	48⅞	18	66¾	38⅛	45⅝	4
Inter. Business Machines	119¾	53⅛	166¾	114	264½	149⅝	233¾	5
Inter. Cement	65⅜	45¼	94⅞	56	102¾	73	73	4
Inter. Comb. Eng. Corp.	64	40⅛	80	45¼	108½	54⅛	67¼	2
Inter. Harvester	255⅝	135¾	97⅞	80	127	92	118	2½
Inter. Mercantile Marine	8¾	3½	7⅜	3⅜	29½	26⅛	29	..
Inter. Nickel	89⅛	38¼	269⅛	73⅝	72¾	40½	50¼	1
Inter. Paper	81⅛	39⅛	86⅜	50	83	57⅛	†65	..
Inter. Tel. & Tel.	158⅞	122¼	201	139½	119¼	78	115⅛	2
J								
Johns-Manville	126	55⅛	209	96⅛	242⅝	152⅛	183	3

New York Stock Exchange Price Range of Active Stocks

INDUSTRIALS and MISCELLANEOUS—*(Continued)*

	1927		1928		1929		Last Sale 8/14/29	Div'd $ Per Share
	High	Low	High	Low	High	Low		
K								
Kelly-Springfield Tire	32¼	9½	25½	19¼	24	10½	11⅜	..
Kennecott Copper	90⅜	60	156	80⅛	104⅞	77⅝	87⅜	5
Kresge Co. (S. S.)	77¼	45⅞	91¾	65	57½	44⅛	46½	1.60
Kroger Grocery & Baking	145	119	132¼	73¼	122½	75½	88	1
L								
Lehn & Fink	43	32⅝	64⅞	38	68½	43½	43½	3
Liggett & Myers Tob	128	87½	122⅛	83⅛	105½	81½	89¼	‡5
Lima Loco. Works	76⅜	49	65⅞	38	57¾	42¾	53	..
Loew's, Inc.	63⅞	48⅞	77	49⅛	84½	48½	58	2
Loose-Wiles Biscuit	57¼	35½	88¾	44¼	74⅝	56	64½	2.60
Lorillard	47⅜	23½	46⅞	23¾	31½	20	25½	..
M								
Mack Truck, Inc	118¾	88¼	110	83	114¾	91	96⅝	6
Magma Copper	58¾	29½	75	43¾	82½	60	68¾	5
May Dept. Stores	90⅜	66¾	113½	75	108½	73½	82½	4
McKeesport Tin Plate	..	..	78⅜	62½	82	62½	67⅜	4
Mexican Seaboard Oil	9¼	3	73	4⅝	69⅜	33½	38	..
Miami Copper	20¾	13⅛	33	17¾	54½	30⅛	42	4
Mont. Ward & Co.	121½	60⅜	156½	115¼	156⅞	99	115	2½
Murray Body	43	16¼	124¼	21⅛	100⅞	62	85	3
N								
Nash Motor Car	101⅞	60¼	112	80¼	118⅞	81⅛	85½	6
National Biscuit	187	94¾	195¼	159½	216¾	166½	201	‡6½
National Cash Reg.	51⅝	39⅞	104¾	47¼	148⅜	96	121	‡4
National Dairy Prod.	68⅞	59¼	133½	64½	85	62⅛	78¾	1½
National Enameling & Stamp	35⅜	19⅛	57⅜	23¼	62¼	43	†47½	2
National Lead	202¾	*95	136	115	173	132	151½	5
National Power & Light	26¾	19¼	46⅝	21⅞	71⅜	42¼	69⅞	1
Nevada Consol. Copper	20⅝	12¾	42⅜	17¾	62⅞	39¾	46⅝	3
N. Y. Air Brake	50	39¼	50⅛	39⅞	49¾	41½	45	3
North American Co.	64½	45⅝	97	58⅝	186¾	90⅝	169⅝	§10%
O								
Otis Steel	12½	7¼	40⅛	10⅛	51⅜	37	45¼	..
P								
Packard Motor Car	62	33¾	163	56¼	153¾	116½	138	‡5
Pan-American Pet. & Trans.	65⅞	40⅛	55½	38¼	68	40¼	61¾	..
Paramount Famous Lasky	115⅜	92	56⅜	47¼	72	55⅛	69⅜	3
Phila. & Reading C. & I.	57⅝	37⅞	39¾	27⅝	34	17⅜	25	..
Phillips Petroleum	60¼	36¼	53⅞	35¼	47	35	37½	1½
Pierce-Arrow Cl. A	23⅝	9⅛	30⅞	18⅛	37⅞	27½	32	..
Pillsbury Flour Mills	37⅛	30⅞	58⅞	32¾	63⅞	39⅛	47⅞	‡2½
Pittsburgh Coal of Penna	74½	32¾	78⅞	36⅛	83¾	54⅛	76½	..
General Foods Corp.	126½	92⅝	136½	61⅜	81¾	62¾	69¼	3
Pressed Steel Car	78¼	36⅛	33½	18	25⅜	15	17½	..
Public Service of N. J	46⅞	32	83½	41½	124⅝	75	114⅝	2.60
Pullman, Inc.	84¾	73¾	94	77⅞	91⅞	78	86½	4
Pure Oil	33½	25	31¼	19	30¾	23¼	26⅛	1½
R								
Radio Corp. of America	101	41⅛	420	85¼	114	68¼	85	..
Remington-Rand	47¼	20½	36⅛	23⅛	50⅛	28	44½	..
Reo Motor Car	26⅞	25½	35¼	22½	31⅞	20¼	22	‡1.60
Republic Iron & Steel	75⅞	53	94½	49⅛	115	79¼	109⅜	4
Reynolds (R. J.) Tob. Cl. B	162	98⅛	165½	126	66	53	55½	2.40
Richfield Oil of Calif.	28⅝	25⅜	56	23½	49⅝	38⅞	41¾	2
S								
Savage Arms Corp.	72½	43⅛	51	36¼	51⅞	38	39½	2
Schulte Retail Stores	57	47	67½	35¾	41½	16⅜	19½	..
Sears, Roebuck & Co.	91½	51	197½	82⅛	181	139¾	160½	2½
Shell Union Oil	31¾	24⅝	39⅜	23¼	31⅜	25	26¾	1.40
Simmons Co.	64¾	33½	101⅜	55¾	126⅞	75	124⅛	3
Sinclair Consol. Oil Corp	22¾	15	46¾	17⅜	45	31½	35	‡2½
Skelly Oil Corp	37¾	24⅛	42⅝	25	46½	32⅞	42⅜	2
Spicer Mfg.	28⅞	20⅛	51⅝	23⅛	66¾	45	52⅜	..
Standard Gas & Elec. Co	66¾	54	84⅝	57⅞	142½	80¾	136	3½
Standard Oil of Calif	60¾	50⅜	80	53	81⅞	64	73½	‡3
Standard Oil of N. J	41⅜	35⅛	59¾	37¾	63½	48	63	‡2
Standard Oil of N. Y	34⅛	29¾	45⅛	28¾	45¾	37⅝	39⅝	1.60
Stewart-Warner Speedometer	87½	54¼	128⅛	77¼	77	64¾	65¾	3½
Studebaker Corp.	63½	49	87½	57	98	73	73	5
T								
Texas Corp.	58	45	74¾	50	68½	57¼	62½	3
Texas Gulf Sulphur	81⅜	49	82½	62⅛	85¼	69⅝	70¾	4
Texas Pacific Coal & Oil	18⅞	12	26⅝	12⅛	23⅞	15⅛	16⅞	5
Tide Water Assoc. Oil	19⅛	15⅝	25	14¾	23½	17½	19	..
Timken Roller Bearing	142½	78	154	112⅝	110¾	73½	99½	3
Tobacco Prod. Corp.	117⅝	92¾	118⅛	93	22⅛	12¾	13	1.40
Transcontinental Oil temp. ctf	10⅜	3¾	14⅛	6¾	14¼	9	12¼	..
U								
Underwood-Elliott-Fisher	70	45	93⅞	63	165¼	91	147	4
Union Carbide & Carbon	154½	99⅛	209	136⅛	128	75¼	117½	2.60
Union Oil of California	56½	39⅝	58	42¾	54½	45½	47	2
United Cigar Stores	38⅛	32⅜	34⅝	22⅞	27½	13½	13¾	1
United Fruit	150	113½	148	131½	158½	109⅝	115	4
U. S. Cast Iron Pipe & Fdy	246	190½	53	38	55⅞	26⅛	27	2
U. S. Industrial Alcohol	111½	69	138	102⅛	193¼	128	185	6
U. S. Rubber	67⅛	37¼	63¼	27	65	42	45¾	..
U. S. Smelting, Ref. & Mining	48⅞	33⅜	71⅛	39⅛	72⅞	48	54¼	3½
U. S. Steel Corp	160½	111⅜	172½	132⅝	245	163	238	7
V								
Vanadium Corp.	67⅛	37	111⅛	60	116½	68	82½	‡4
W								
Warner Bros. Pictures	45½	18¼	139¼	80⅞	63	54¼	58⅝	‡3½
Western Union Tel	176	144½	201	139½	229	179¾	213½	8
Westinghouse Air Brake	50½	40	57⅜	42⅛	62¾	43¼	61⅜	2
Westinghouse Elec. & Mfg	94¾	67⅝	144	88⅛	250	137½	242½	4
White Motor	58⅜	30¼	43¾	30¼	53½	38	39½	1
Willys-Overland	24¾	13½	33	17⅜	35	20	22¾	1.20
Woolworth Co. (F. W.)	198⅛	117⅜	225¾	175½	94⅛	85	88⅝	2.40
Worthington Pump & Mach	46	20½	55	28	86¾	43	85	..
Wright Aeronautical	94¾	24⅛	289	69	149½	109	128	2
Y								
Youngstown Sheet & Tube	100⅛	80⅛	115⅝	83⅛	160	105	159⅝	5

* Ex-dividend. † Bid Price. ‡ Partly Extra. § Payable in Stock.

Securities Analyzed, Rated and Mentioned In This Issue

Industrials

Bonds

Mining

Public Utilities

Railroads

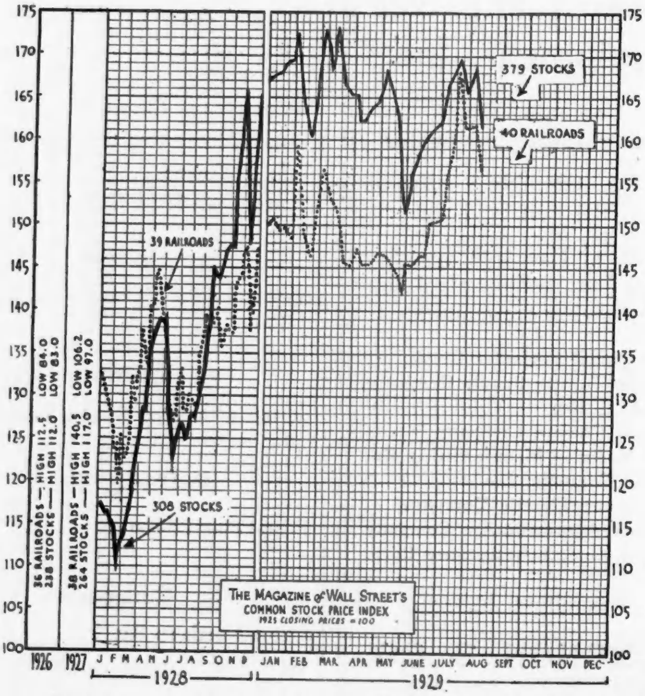
Petroleum

THE MAGAZINE OF WALL STREET'S COMMON STOCK PRICE INDEX

(1925 Closing Prices —100)

Number of Issues in Group	Group	1929 Indexes (379 Issues) High	1929 Indexes (379 Issues) Low	Recent Indexes Aug. 3	Recent Indexes Aug. 10	1928 Indexes (308 Issues) Close	1928 Indexes (308 Issues) High	1928 Indexes (308 Issues) Low
379	COMBINED AVERAGE	173.1	160.2	168.2	161.6	165.4	166.0	109.2
40	Railroads	168.1	145.1	161.8	156.6	147.1	148.9	119.5
3	Agricultural Implements	655.4	378.2	457.4	436.8	513.2	513.2	280.5
8	Amusements	268.0	216.7	225.9	220.1	253.8	262.9	98.3
15	Automobile Accessories	212.6	176.9	186.1	180.4	190.2	190.2	86.4
18	Automobiles	134.9	99.7	103.9	99.7 l	133.5	133.5	79.0
2	Aviation (1927 Cl.—100)	307.1	264.5	288.8	277.6	284.4	(Begun 1929)	
3	Baking (1926 Cl.—100)	96.3	76.4	88.0	81.1	82.8	82.9	51.5
2	Biscuit	238.0	198.6	228.0	225.6	225.2	242.4	169.7
4	Business Machines	356.5	234.1	356.5H	336.3	235.0	235.0	153.7
2	Cans	249.5	177.7	246.8	234.7	177.7	181.4	117.2
7	Chemicals	328.2	221.7	319.1	304.8	221.9	(Begun 1929)	
2	Coal	124.0	80.3	105.6	111.1	120.2	120.3	81.8
14	Construction & Bldg. Material	141.3	116.6	132.0	129.0	136.9	136.9	94.4
15	Copper	391.5	284.6	322.5	310.5	299.6	299.6	159.8
3	Dairy Products	132.5	109.8	129.6	125.6	120.4	132.5	68.1
7	Department Stores	86.5	62.1	67.8	64.4	86.5	89.5	62.9
10	Drugs & Toilet Articles	199.2	166.9	177.5	173.4	196.0	201.9	157.2
5	Electric Apparatus	285.8	183.5	285.8H	269.9	183.5	183.5	125.6
3	Fertilizers	121.4	65.8	74.6	68.5	106.4	116.3	78.4
2	Finance	207.8	161.4	192.4	183.5	178.5	(Begun 1929)	
4	Furniture & Floor Covering	197.5	143.3	166.0	173.6	185.0	185.0	110.2
5	Household Appliances	110.8	88.3	96.4	92.6	110.8	113.3	87.5
3	Investment Trusts	406.2	154.4	376.8	352.8	154.4	(Begun 1929)	
3	Mail Order	418.6	309.0	342.8	322.8	418.6	426.5	147.9
4	Marine	93.7	71.4	73.8	72.9	77.4	96.5	66.8
2	Meat Packing	104.4	70.6	72.6	70.6 l	104.4	(Begun 1929)	
40	Petroleum & Natural Gas	172.3	143.5	150.2	143.5 l	164.4	182.6	86.1
5	Phono'phs & Radio (1927—100)	321.1	248.9	268.0	250.7	290.0	(Begun 1929)	
17	Public Utilities	348.7	213.3	348.7H	330.0	215.5	215.5	127.9
10	Railroad Equipment	135.4	117.5	134.2	130.3	127.6	128.9	112.1
3	Restaurants	172.0	119.3	168.1	160.7	181.0	138.1	89.8
2	Shoe & Leather	178.3	117.3	117.3 l	138.2	176.2	231.4	138.3
2	Soft Drinks (1926 Cl.—100)	244.0	206.9	237.3	232.3	208.6	214.0	152.9
13	Steel & Iron	164.4	133.3	162.8	157.9	138.8	143.4	86.3
6	Sugar	81.6	60.9	65.8	61.3	78.7	93.7	72.8
2	Sulphur	295.2	242.5	252.3	249.8	286.9	386.9	251.6
3	Telephone & Telegraph	225.1	150.1	225.1H	213.8	150.1	150.1	120.8
6	Textiles	128.5	85.3	90.4	85.3 l	122.8	123.8	78.6
8	Tire & Rubber	111.4	65.1	70.1	65.1 l	104.0	104.0	61.5
11	Tobacco	184.6	142.0	143.4	142.0 l	180.9	195.0	167.8
5	Traction	140.4	81.7	84.7	83.1	126.6	150.4	103.8
2	Variety Stores	128.0	110.9	115.6	114.4	124.4	126.8	98.0

H—New HIGH record since 1925. l—New LOW record this year.



(An unweighted Index of weekly closing prices specially designed for investors. The 1929 Index includes 379 issues, distributed among 42 leading industries, and covers about 90% of the total transactions in all Common Stocks listed on the New York Stock Exchange. It is compensated for stock dividends, rights and assessments and reflects all important price movements with a high degree of accuracy. Our methods of making annual revisions in the list of stocks included renders it possible to keep the Index abreast with evolutionary changes in the market, without impairing its continuity or introducing cumulative inaccuracies.)

Six Billion Buying Power in the Great Staple Crops

(Continued from page 744)

Whatever the outcome, however, the American planter seems destined to receive a higher price for his cotton this year than for some years back. The total farm value of the crop in 1927, according to the report of the U. S. Dept. of Agriculture, amounted to $1,269,885,000 based on a price of 19.6 cents per pound on December 1st, and last year to $1,291,589,000 on a basic rate of 18 cents, an increase of $21,704,000. This year's crop is likely to put anywhere from $300,000,000 to $500,000,000 more in the planters' hands than last season.

Consumption of cotton is on the increase the world over. In the season closed July 31st last, the world used 15,256,000 bales of American lint cotton (excluding linters), according to an estimate from the New Orleans Cotton Exchange, compared with 14,904,000 bales in the previous year. The carryover, according to the same authority, was 5,252,000 bales on August 1st, 1928, but amounted to only 4,395,000 bales on August 1st of this year. Furthermore, the total visible supply of American cotton in the world today is down to the surprising level of but 1,740,600 bales as against 2,272,000 last year and 3,400,000 in 1927. In other words, consumption increased to such an extent during the past year that the visible supply was drawn upon to an unusual degree and reduced to the smallest amount in years past.

Furthermore, with an increase in consumption in the 1929-30 year to a very likely 16,000,000 bales and with an average crop of a little more than 15,000,000 bales, the visible supply approaches dangerously near an amount that may very easily become a vanishing point. Of course, a bumper crop would swell the carryover to more than 6,000,000 bales, but on the other hand, the much more to be expected weevil-reduced crop would not only entirely wipe out the visible supply but would cut the carryover virtually in half.

For these reasons cotton has acquired a growing bullish following. It is argued that much more is to be gained by buying cotton at its present levels around 19 cents a pound than is to be lost. A possible loss of two cents a pound is conceded but a very probable advance of 10 cents a pound is the outweighing prediction.

Considerable stabilizing influence underlies the cotton market this season, due to the increasing consumption and to the new Federal Farm Board. While

the Lancashire textile strike, which is now in a fair way of being amicably settled, may for the time being curtail the exportation of American raw cotton to these English mills, running at an average of 140,000 bales a month for the last 2½ years, it is not expected to affect aggregate sales. Cotton shipments are lower at this period, anyway, ranging between 40,000 and 50,000 bales a month to Great Britain and stepping up to around 175,000 bales in September and 300,000 in each of the last three months of the year. However, Germany, France and Japan are active contenders for England's foreign trade and they may well be expected to enlarge their production of finished cotton goods, to say nothing of the very probable expansion of the output of our own mills with a view of capturing a goodly share of England's foreign cotton goods business. Thus ultimate maximum consumption of our raw cotton is not believed to be endangered.

With more money in the hands of the cotton growers as a likely outlook, prospects for the fertilizer companies are brighter than they were early last season when the sales trend took a sharp dip. The companies most favorably situated to profit from increased activity when the new season gets under way include American Agricultural Chemical, Davison Chemical, International Agricultural, Tennessee Copper & Chemical and Virginia-Carolina Chemical.

Turning to the minor staples, oats are likely to run about 250,000,000 bushels short of last year. An acreage of 2½ million less than the five-year average is expected to yield approximately 1,225,000,000 bushels as against a 1,450,000,000 bushel harvest in 1928. Barley, rye, flax and rice are below the average volume. The production of tame hay—a crop that the farmers exchanged last year for $1,148,283,000—promises to be close to 99,000,000 tons compared with 93,000,000 tons last year and a five-year average of somewhat less than the latter. Alfalfa is showing in excess of last year and wild hay about the same. Dairymen and other feeders have about come to the conclusion that they will pay more for feed this fall.

Very favorable conditions in the southern tobacco area indicate a larger yield there while in the Connecticut Valley a loss of $1,000,000 is reported from a heavy hail storm. Consumption of the cigarette types of tobacco has been in excess of supply, presaging a possible price advance and an aggregate gain in tobacco crop values.

An outturn of close to 380,000,000 bushels of white potatoes, or about 18 per cent short of the large 1928 crop is attributed largely to reduced acreage. The usual supply of sweets is

expected. Beet sugar tonnage will probably be somewhat under last year but above the average, while cane sugar is expected to mount 65 per cent above the 1928 production. Present indications point to smaller crops for all tree fruits.

In summation, there is unquestionable evidence that the buying power of the agricultural communities is in process of marked expansion. This will be reflected in the augmented earnings of the agricultural implement, automobile, merchandise and fertilizer companies and of the railroads over the next six months. And last, but not least, in the current situation lies the foundation for at least another year of prosperity to follow.

Real Estate Investing In a New Age of Building

(Continued from page 747)

overlook the substantial increase in the sale of structural steel.

Building codes in the United States have been almost universally revised since the World War. They recognize the improvement in the quality of steel and the greater engineering experience with the material. Electric welding has brought in some economies and other inventions have encouraged the reform and modernization of building operations. Consequently it is possible to build more securely and more economically today and obtain a much better structure than it was even four years ago. With the elimination of the questionable and the speculative operators in the building industry, we approach a more stable era. Tight money has the tendency to discourage an inexperienced operator and to divert funds into channels where it will be known to be safe. Safe building is today more general for this very reason.

Measure of Return

Still another factor which has contributed no little to this changed consciousness in building is the ability of investors to measure with some accuracy the economic return from urban structures. There have existed for years numerous fallacies regarding the skyscraper, which it has been impossible to dispose of until accurate analyses of the return from such buildings had been estimated. Building owners have long been endeavoring to discover some accurate measure for the economic return from tall buildings.

Ever since steel framing was devised to carry the weight of the walls of buildings, there has existed active propaganda against tall structures.

Today, however, there are more skyscrapers being erected than ever before. Around the Grand Central zone in New York they are springing up like mushrooms. A 65-story building was hardly started on Wall Street, before a 75-story building was projected for Chicago. The latter was not completely financed before an 80-story building was announced for the Grand Central zone in New York. But it is not alone in the leading cities of the United States these tall structures are to be found, but in most all the cities of the land.

Economically the skyscraper is just beginning to prove its worth. The American Telephone & Telegraph Company, before constructing its new offices in New York, made careful studies of the economic height for the plot that had been assembled. Similar studies were made for the Lincoln Building on 42nd Street. Tall buildings it is true, have not infrequently been erected without a definite knowledge of their possible financial return. But it would indeed be foolish to attempt such a thing today. A structure which costs some $50,000,000 is not going to be financed upon a mere whim or chance. The economic returns must be measured carefully in advance and it is becoming a rather definite science to estimate those prospects. This is a further safeguard for the real estate investor.

Profitable Skyscrapers

One of the leading building economists of the country has recently completed an estimation of the economic height of buildings. For two years he has been making his studies and assembling his data. The leading contractors and builders of the country were called upon for assistance. The conclusions just reached from these studies indicate that where land is valued at about $200 a square foot, a building 63 stories high will return the maximum net on the investment made,—a little better than 10 per cent. A 75-story building will bring in a larger net return than a 50-story building on the same plot. On the other hand he discovered that where the land was valued at $400 a square foot the maximum economic return would be derived from a building 75 stories high.

There is a direct relationship between the ground value and the height of the building. There is also some relation between the height and the size of the plot upon which the structure is

to be erected. Naturally these studies were limited to plots the size of a city block in maximum measurement. Furthermore the studies were limited by the zoning laws which are in vogue in New York City. Elsewhere it may be economical to build skyscrapers even higher than 75 stories. Many of the cities which formerly imposed drastic restrictions on the height of buildings are finding it advisable to remove these or at least to modify them drastically.

Such tendencies very naturally portend certain changes in the economic return from construction, and bear definitely on the value of real estate investments. Improvements in the art of structural engineering, and the economies which are possible in the newer skyscrapers, rapidly render obsolete the older buildings surrounding. Real estate investments cannot stand still. Either the older properties must be rebuilt or the holdings will become stagnant and most likely deteriorate in value.

Missouri Pacific Conv. 5½s, Due 1949

(Continued from page 757)

improvement in Missouri Pacific'c position. For the first six months of this year, gross revenues were $65,129,166, a gain of 6.5% over the corresponding period of last year, while net income after taxes and charges was $3,586,083, an increase of 37.5% over the first six months of last year. Allowing only for regular six months dividend requirements on the preferred stock, the balance is equivalent to $2.16 on a share on 828,395 shares of common stock, which compares with 98 cents a share earned a share on the common in the first half of 1928. Earnings for the full year 1928 were $7.15 per share on the common stock, and assuming only that the earnings for the second half of this year will be about the same as for the second half of 1928, per share earnings for 1929 should be between $8.50 and $9.

Convertible Bonds Attractive

The capital structure of the company shows funded debt of $355,695,000 or over twice the amount of outstanding stock. The issuing of the convertible bonds this year will tend to create a more balanced structure when conversion is finally effected. The capital stock consists of $71,800,100 of 5% preferred stock and $82,839,500 of common stock, both classes of $100 par value. The preferred stock is convertible into common stock share for

share and since Dec. 31st, 1928, has been on a regular dividend basis. Only one payment of $1.50 has been made on account of accumulated dividends on the preferred, which now amount to $49.75 a share. For more than a year, a committee has had under consideration plans for the liquidation of the accumulated dividends on the preferred stock, and action on this matter may be taken before the end of the present year. This, of course, will clear the way toward declaring dividends on the common stock.

Prospects for continued progress for Missouri Pacific appear bright, which if they materialize will undoubtedly be reflected in higher prices for the common stock. The convertible 5½% bonds due in 1949 represent a long time call on the common stock, and will respond marketwise to advancing prices for this stock. Over the longer term, the bond possesses attractive possibilities and in the meantime pays a fair return to the holder.

Important Dividend Announcements

Note—To obtain a dividend directly from the company the stockholder must have his stock transferred to his name before the date of the closing of the company's books.

Ann'l Rate		Amount Declared		Stock Record	Payable
$4.00	Atlas Powder com....	$1.00	Q	8-30	9-10
3.52	Bangor & Aroost'k com.	.88	Q	8-31	10-1
7.00	Bangor & Aroost'k pfd.	1.75	Q	8-31	10-1
7.00	Bethlehem Steel pfd..	1.75	Q	9-6	10-1
1.00	Bucyrus-Erie Co. com.	.25	Q	8-28	10-1
4.00	California Pack. Corp.	1.00	Q	8-31	9-14
7.00	Chic., Rock Island & Pac. Ry.	1.75	Q	9-6	9-30
3.50	Chile Copper Co......	.87½	Q	9-4	9-30
3.00	Chrysler Corp.	.75	Q	9-3	9-30
1.00	Curtiss Aeroplane	.50	SA	9-2	9-16
9.00	Delaware & Hudson...	2.25	Q	8-28	9-20
8.00	Diamond Match	2.00	Q	8-31	9-16
5.00	Eastman Kodak com..	1.25	Q	8-31	10-1
Ext	Eastman Kodak com..	.75	Ext	8-31	10-1
1.00	Engineers Pub. Serv. com.	.25	Q	8-29	10-1
...	Motor Wheel	20%	Stk	9-5	10-1
Stk	Nat. Dairy Prod. com.	1%	Q	9-3	10-1
1.50	Nat. Dairy Prd. com.	.37½	Q	9-3	10-1
Extra Stk	Nat. Dairy Prod. com.	1%	Extra Stk	9-3	10-1
8.00	Norfolk & West'n Ry. com.	2.00	Q	8-31	9-19
2.60	Pub. Service Corp. of N. J. com.	.65	Q	9-6	9-30
5.00	Remington Typewriter com.	1.25	Q	9-7	10-1
7.00	Remington Typewriter 1st pfd.	1.75	Q	9-7	10-1
8.00	Remington Typewriter 2nd pfd.	2.00	Q	9-7	10-1
4.00	Republic Iron & Steel com.	1.00	Q	8-12	9-3
2.00	St. Joseph Lead......	.50	Q	9-9	9-20
Ext	St. Joseph Lead......	.25	Ext	9-9	9-20
8.00	St. Louis-San Francisco com.	2.00	Q	9-3	10-1
1.60	Simms Petroleum	.40	Q	8-30	9-14
6.00	South. Pacific Ry.....	1.50	Q	8-26	10-1
2.50	Stand. Oil of Nebr....	.62½	Q	8-24	9-20
Ext	Stand. Oil of Nebr...	.25	Ext	8-24	9-20
1.00	Sun Oil com..........	.25	Q	8-26	9-16
1.00	Tenn. Copper & Chem.	.25	Q	8-31	9-16
4.00	Texas Gulf Sulphur..	1.00	Q	9-2	9-16
10.00	Union Pac. Ry. com..	2.50	Q	9-3	10-1
4.00	Union Pac. R.R. pfd..	2.00	SA	9-3	10-1
4.50	United Gas Improve.	1.12½	Q	8-31	9-30
7.00	U. S. Steel com......	1.75	Q	8-29	9-28
4.00	Vacuum Oil	1.00	Q	8-31	9-20
1.20	Walworth Co. com....	.30	Q	8-31	9-16

Answers to Inquiries

(Continued from page 772)

earnings at the same rate during the last half of the year the shares would seem entitled to sell somewhat higher. On the other hand, the outlook cannot be said to be clearly defined and for that reason it is advisable to keep in rather close touch with developments.

GOLD DUST

Will you please let me have your analysis of the nearby outlook for Gold Dust? Do you think stockholders would benefit if the rumored absorption by Standard Brands, Inc., is actually effected? Shall I keep on holding 50 shares for which I paid 74 and which now show a 12 point loss?—E. M. L., Marshalltown, Iowa.

We hesitate to recommend disposal of Gold Dust shares at a sacrifice. As a result of acquisitions of Standard Milling Co. and the food products division of the American Linseed Co., Gold Dust now ranks as one of the foremost producers of food products. The foregoing consolidation includes one of the world's largest flour milling concerns, and Best Foods, Inc., the latter being a manufacturer of mayonnaise, pickles, dressing, margarines, shortening, etc., and the original Gold Dust units producing washing powder, soaps and shoe polishes. Other mergers are understood to be contemplated which conceivably will be consummated on a basis favorable to shareholders, although there have been no definite developments along the latter line to date. Due to changes in capitalization incident to new acquisitions, it is somewhat difficult to present a comparative statement of earnings over a period of years, but assuming complete exchange of shares for Standard Milling stock, profits in the full 1929 year, based on 2,100,000 no par common shares then to be outstanding, are estimated to equal a balance approaching $4 a share. The company is financially sound and capably managed, and its vigorous expansion policy over a period of years has been productive of highly satisfactory results to date, with the outlook clearly for further progress in the right direction. We are confident patience will bring its own reward.

B. F. GOODRICH CO.

Goodrich common seems greatly undervalued to me. With reported earnings of $4.59 for the first half of this year and a yield of over 5%, I cannot understand why this stock continues to sell below 80 in this bullish market. What is your opinion? Would you advise averaging up on 20 shares which cost me 98 in March?—O. B. F., Alton, Ill.

There is no doubting the fact that the common stock of B. F. Goodrich Co. on the basis of available statistical data would be warranted in selling at higher levels. The market action of the shares, however, has shown greater response to the feeling of uncertainty which exists regarding the prospects of the rubber industry for the last half of the year. This feeling has been fostered by the general inventory position of the industry. Production of casings and tubes in the first six months of the current year was in excess of sales with the result that manufacturers are approaching the last half with substantial inventories of finished goods on hand. At the present time, however, this situation is in the process of being corrected. Several price reductions have been made for the purpose of stimulating sales and meeting the competition from mail order houses. Production has been curtailed and it is reported that recent sales results are quite encouraging. Thus, while it may be necessary to revise previous estimates of 1929 earnings downward, the larger companies will undoubtedly made a satisfactory showing barring unforeseen developments of an adverse nature in the interim. Sales of B. F. Goodrich gained nearly $5,000,000 in the first six months and earnings were equal to $4.09 per share on the average amount of common stock outstanding during that period. The company has a splendid past record, having been able to maintain dividend payments to stockholders throughout the period of depression recently passed and with the aid of a strong financial position should continue to register satisfactory progress. We therefore urge you to make no change in your present holdings and, if you are in a position to do so, would be willing to endorse an additional lot at this time.

PHILLIPS PETROLEUM

A conservative house has advised me to purchase Phillips Petroleum for a moderate pull. Before acting on this recommendation, I want to get your counsel. Has the present price of Phillips discounted the worst aspects of the oil situation so that it is a "buy" now?—P. H. R., Kalamazoo, Mich.

Permanent improvement in the petroleum industry has been slow to materialize, but with evidence of closer cooperation between important oil interests, with a view to production restriction, which may be expected to result in a strengthening of the price structure of both crude and refined products, we are confident the demoralization witnessed in 1927 will not be

The Investment Treadmill

Many investors are constantly active . . . but getting nowhere

IF you should go back over your own experiences for five years or more, would you find your investment capital advancing rapidly one year, standing still or cut down the next, varying and fluctuating . . . and not, in the long run, building up very rapidly? Such happenings are only too frequent. A lot of action, but little or no progress.

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repeated. Phillips Petroleum Co., in addition to being an important producer of crude oil, is one of the largest producers of natural gas and natural gasoline, and one of the principal sources of gas for manufacture of carbon black, the company also being engaged in making the last named product. It is rapidly expanding its various divisions, such as refining, retail marketing, natural gasoline, water plants, dry gas, liquified gases, and oil and gas pipe lines. Thus, the organization is well integrated, activities are well diversified, and the company may be depended upon to give a good account of itself from an earning standpoint under conditions embarrassing to many competitors. However, while financial condition is strong and we are optimistic regarding the company's long term future, pending definite indications of marked and sustained improvement in the industry as a whole, the shares are likely to continue somewhat retarded marketwise, and are, therefore, attractive more for the longer pull than near term possibilities.

CUBA CANE SUGAR

Will you please let me have your detailed opinion of the Plan of Reorganization of the Cuba Cane Sugar Corporation? Since 1927 I have been holding 50 shares of the preferred which cost me 35 and 100 of the common at 8. I have deposited my stock as requested.—S. L. C., Nanticoke, Pa.

In an attempt to avoid receivership, which would doubtless result in preferred and common stockholders being wiped out, directors of Cuba Cane Sugar Corp. have formulated a plan of reorganization involving the issuance of $25,000,000 of participating debentures of a new company to be dated January 1st, 1930, and to mature January 1st, 1950. The new participating debentures will bear interest at the rate of 6% per annum from January 1st, 1930. For the first five years interest will be payable only out of net earnings as defined in the plan, but payment must be made to the extent earned. Interest will be cumulative for the years 1933 and 1934, whether earned or not. After 1934 interest at the rate of 6% must be paid whether earned or not and will be a fixed charge. Preferred shareholders would receive subscription warrants entitling the holder to subscribe on or before August 20th, 1929, at $5 a share for 1½ shares of common stock of the new company in respect of each share of preferred stock deposited, together with an option warrant entitling the purchase at any time prior to January 1st, 1940, at $20 a share, one share of common stock of the new company for each share of preferred stock deposited. Common stockholders would

receive a subscription warrant entitling subscription on or before August 20th, 1929, at $7.50 per share for one fifth of a share of common stock of the new company in respect of each share of common stock deposited, together with an option warrant entitling the purchase at any time prior to January 1st, 1940, at $20 a share, of one share of common stock of the new company for each share of common surrendered. Consummation of the plan of reorganization is dependent on substantially 100% cooperation of security holders and the success of the same is yet a matter of conjecture. Reflecting generally demoralized conditions in the raw sugar industry, earnings of the company have been of a highly unimpressive character over a period of years, and while the success of the proposed plan would doubtless improve internal finances, we fail to perceive where that is likely to have an outstanding constructive effect on earning power. Frankly, we believe your interest would best be served by liquidating your interest in the situation.

BUSH TERMINAL

Do you think that Bush Terminal common may again sell in the eighties within the next few months? I am tied up with 50 shares for which I paid 88. Would you advise that I keep on holding?—D. E. C., Mount Vernon, N. Y.

Bush Terminal Co. is an old established enterprise, having been organized in 1902 with a charter having a duration of 100 years. The company is engaged in acquiring, leasing, improving lands, and reclaiming lands under water, as well as conducting a dock, shipping and warehousing business with connecting railroads. Revenues are obtained from rentals of steamship piers, warehouses, lofts and manufacturing buildings, business offices, cold storage plants, the handling of freight and merchandise and from railroad transportation. Net earnings have mainly been on the upgrade since the post-war readjustment period, although increases in capitalization have resulted in some variation in per share common earnings, results in 1928 showing a balance equal to $4.21 a common share against $5.34 per share in 1927, followed by $1.90 a share in the six months ended June 30th, 1929, against $1.57 a share in the same period of 1928. Earnings in the full 1929 year are estimated at a figure to approach $4.50 a share. Financial position is comfortable, and there seems no serious bar to future material growth, both in scope of operations and earning power, and main property holdings are so situated as to enjoy constant increase in value. While the high price levels attained by the shares earlier this year

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MARKET STATISTICS

	N. Y. Times	Dow, Jones Avgs.		N. Y. Times 50 Stocks		
	40 Bonds	20 Indus.	20 Rails	High	Low	Sales
Thursday, Aug. 1	86.63	350.56	173.43	284.90	281.00	3,322,740
Friday, Aug. 2	86.56	353.08	174.80	288.44	282.97	4,032,420
Saturday, Aug. 3	86.49	355.62	175.40	287.79	285.30	1,842,080
Monday, Aug. 5	86.47	352.50	174.67	288.16	283.08	3,861,840
Tuesday, Aug. 6	86.41	351.39	173.41	285.26	280.62	3,796,050
Wednesday, Aug. 7	86.47	348.48	173.15	284.36	279.22	3,161,350
Thursday, Aug. 8	86.38	352.10	174.41	284.91	280.21	2,831,370
Friday, Aug. 9	86.08	337.99	174.41	277.04	272.00	5,022,360
Saturday, Aug. 10	86.02	344.84	172.58	278.32	274.23	1,478,450
Monday, Aug. 12	85.96	351.13	174.14	283.76	278.35	3,610,090
Tuesday, Aug. 13	86.03	354.03	174.81	285.40	279.66	4,096,730
Wednesday, Aug. 14	86.10	354.86	174.63	285.65	280.79	4,198,820

have proved somewhat over-optimistic, the subsequent decline to current quotations serves to add materially to the attractiveness of the stock. We believe the issue suitable for a comparatively liberal income return on the basis of $2 a share annual cash dividend, plus 6% in stock, and future enhancement in quoted value. We would not recommend a sacrifice sale.

GREAT NORTHERN RAILWAY

Great Northern Railway, pf., has been recommended to me by a conservative house but before investing in this stock I should like to have your opinion. Is a dividend increase likely before the end of this year? —C. J. K., Fargo, No. Dak.

Great Northern Railway Co. operates about 8,188 miles of road, its lines extending from Minneapolis and Duluth westward along the northern boundary of the United States to the Pacific Coast and through joint ownership with Northern Pacific of Chicago, Burlington & Quincy, which latter controls the Colorado & Southern, the company enjoys a direct connection with Chicago, Kansas City, Denver and an outlet to the Gulf. The Northland Transportation Co., a subsidiary, operates buses extensively in Minnesota and late last year the road was granted a permit to operate a truck line, this being viewed as a forerunner to the entrance of the company on a large scale into the motor truck transportation field. Of freight tonnage, approximately 56% consists of products of mines, iron ore being the chief item; products of agricultural account for about 19%, and products of forests constitute about 11%, as do manufactures and miscellaneous items. Net earnings have been somewhat variable in recent years, but with increased iron ore mining activities, together with somewhat improved agricultural conditions in the territory served and reduced operating expenses, the tendency has been upward, results in 1928 showing a balance equal to $10.11 a share against $9.24 a share in 1927. Net income in the first half of 1929 is estimated to have equalled $2.93 a share against $1.62 a share in the same period of 1928, with estimates of a balance equal to around $12 a share in the full 1929 year. The foregoing includes only dividends actually received from C., B. & Q., but on the basis of the road's equity in undistributed earnings of C., B. & Q. the balance for 1928 would have equalled about $13.70 a share with indications of around $15.70 a share this year. The road is in excellent financial and physical condition, and some upward revision in dividends over the $5 a share annual rate now prevailing seems warranted whenever directors so elect. We believe the issue suitable for income and future enhancement in quoted value.

SIMMONS CO.

Would you advise accepting a profit of 35 points on 25 shares of Simmons which cost me 80? With this stock selling around 30 times last year's earnings and considering the small yield, I am tempted to close out my holdings. I shall be guided by your opinion, however, for it has proved profitable in the past.—B. G. L., Burlington, Vt.

The recent report of the Simmons Co. covering operations for the first six months of the current year affords substantial evidence of steadily expanding sales and earnings. Sales for that period registered a gain of about 35% over the same period of 1928 and the accompanying increase in earnings was approximately 40%. In terms of per share results, profits for the first six months were equal to $3.19 per share in contrast with $2.27 for the corresponding months of 1928, and $3.89 for the full year. The company's products, including beds, bed springs and mattresses are distributed under well-known trade marks through retailers and jobbers throughout the country and in its field Simmons occupies a place of unchallenged leadership. Large sums are currently being spent for advertising and in the near future it is planned to introduce a new popular priced mattress. On the whole, the outlook may be said to be quite favorable and the prospects are that the company will show earnings for the full year in excess of $6 per share. This showing would warrant the payment of an extra dividend and it is understood that some consideration is being given the inauguration of stock dividends at the annual rate of 6%. Viewed from the standpoint of earnings, the shares at prevailing levels would appear to be discounting the known factors and while they are not without appeal for the longer pull, it might be advisable to accept your profits unless, of course, your commitment was made with the intention of holding over an extended period of time, in which event there is no reason for disturbing it at this time.

YOUNGSTOWN SHEET & TUBE CO.

Last summer following your advice, I invested in 25 shares of Youngstown Sheet & Tube around 90. Now that the news is out concerning the 20% stock dividend to be paid October 1, shall I accept my profit on this commitment or hold in anticipation of merger developments?—M. M. H., Augusta, Ga.

In our opinion, shareholders of Youngstown Sheet & Tube common

Building and Loan Associations

We will be glad to answer questions regarding Building & Loan Associations, provided that the information available on the association under consideration is sufficiently complete to warrant an opinion. Address, Building & Loan Ass'n Department, c/o The Magazine of Wall Street, 42 BroadwDepartment, c/o The Magazine of Wall Street, 42 Broadw ay. New York City.

Bank, Insurance and Investment Trust Stocks

Quotations as of Recent Date

NATIONAL BANKS	Bid	Asked
Bank of America, N. A. (4.50)	205	215
Chase (3.60)	223	228
Chatham & Phenix (20)	867	877
Chemical	117	124
City (4A) new	388	393
Commerce	800	825
First (N. Y.) (100A)	7450	7550
Park (4)	197	200
Public (new) (4)	249	253
Seaboard (16)	940	960
TRUST COMPANIES		
Irving Trust (1.60)	73	75
Bankers (new) (3)	180	184
Bank of N. Y. & Trust Co. (20)	875	900
Brooklyn (30)	1165	1185
Central Hanover (new) (16)	415	430
Empire (16)	585	600
Equitable (12)	620	630
Guaranty (20)	891	898
Manufacturers (6)	268	279
New York (new) (5)	338	345
United States Trust (70)	4350	4450
STATE BANKS (NEW YORK)		
Corn Exchange (4)	210	215
Manhattan Co. (16)	840	850
United States	...	...
INSURANCE COMPANIES		
Aetna Fire (20)	750	775
Aetna Life (12)	1340	1380
Fidelity-Phenix (2)	107½	108
Continental (1.60)	50	54
Glens Falls (1.60)	58	62
Globe & Rutgers (24)	1510	1550
Great American (1.60)	41	44
Hanover (1)	73	77
Hartford Fire (24)*	1025	1050
Home (20)	560	570
Carolina (1.40)	40	45
National Fire (2)*	90	95
North River (8.50)*	435	450
United States Fire (2.40)	105	110
Stuyvesant (8)	445	460
Travelers (24)*	1840	1880
Westchester (2.15)*	73	77
SURETY AND MORTGAGE COMPANIES		
American Surety (6)	125	135
Lawyers Mortgage (2.80)	56	59
Mortgage Bond (8)	200	210
JOINT STOCK LAND BANKS		
Chicago	5	10
Dallas (8)	90	98
Des Moines	3	7
First Carolina	12	20
Lincoln (4)	35	42
Southern Minnesota	4	7
Virginia (B)	1	1½
INVESTMENT TRUST SHARES		
American Founders Trust com.	112¼	114¼
Do 6% Pfd.	44¼	47¼
Do 7% Pfd.	49	52
Diversified Trustees Shares	29⅞	30⅝
Do Series B	26⅞	27⅝
Financial & Industrial Sec. com.	...	...
Do Pfd.	...	...
Fixed Trust Shares	24⅞	25⅝
Insuranshares, B 1928	22	23½
Interl. Sec. Corp. of Amer., B	31	34
Do A	59	62
Do 6% Pfd.	88	93
Oil Shares, Inc. (units)	55	62
Second Intl. Securities	50	54
Do 6% Pfd.	42½	45½
Shawmut Bank	45	48
U. S. & British Internl. cft.	35	...
U. S. Shares, Series A-1	14	15½
Do Series B	...	...

(A) Including div. wherever paid by Securities Companies in some cases. (B) Par $5. * Including extras. (X) Ex-rights.

stock are justified in holding present commitments in anticipation of further price appreciation. Reflecting the activity and prosperity in the steel industry, earnings of the company for the initial half of 1929 showed a marked gain, being equal to $10.12 per share of common stock in comparison with $3.67 per share in the same period of 1928 and $9.54 for the full 1928 year. The large sums spent by the company during the past several years are now beginning to make important contributions to profits through increased production capacity and operating efficiency. The major portion of this program has been completed and it is likely that more liberal dividends will be forthcoming at a not distant date. In any event, it is planned to maintain the present $5 rate on the additional stock which will be outstanding following the proposed 20% stock dividend. The company is dependent upon the oil and automobile industries for the bulk of its output and although the present prospects for both of these industries are not brilliant, requirements should continue moderately satisfactory. Moreover, Youngstown entered the third quarter with a large volume of unfilled orders on its books which will enable the company to maintain operations at a high rate well into the fall. Estimated earnings amounting to about $16 per share may quite readily be realized and, on the whole, the situation invites confidence. Incidentally, the company is still an important factor in merger possibilities.

Important Corporation Meetings

Company	Specification	Date of Meeting
Allied Chemical & Dye Corp.	Pfd. Dividend	8-27
American Can Co.	Pfd. Dividend	8-27
Anglo-American Corp.	Special	9-5
Elec. Power & Lt. Corp.	Pfd. Dividend	8-28
Great Western Sugar Co.	Pfd. & Common Div'd	8-28
Illinois Bell Telephone Co.	Common Div'd	8-28
Inter'l Business Mach.	Common Div'd	8-27
Inter'l Cement Corp.	Common Div'd	8-28
International Silver Co.	Pfd. Dividend	8-28
Liggett & Myers Tob. Co.	Com. & Com. B	8-31
New York, Chic. & St. Louis R. R.	Pfd. & Com. Div'd	8-27
New York Telephone Co.	6½% Cum. Pfd.	8-28
Peerless Motor Car Co.	Special	8-27
Pittsburgh Steel Fdy.	Pfd. Div'd	8-29
Public Service Co. of N. J.	8%-7% Pfd. & Com.	8-27
St. Louis, Southwestern Ry. Co.	Common Div'd	8-28
Standard Milling Co.	Com. & Pfd. Div'd	8-28
Standard Oil of Indiana	Special	8-27
Swift & Co.	Common Div'd	8-30
Telautograph Corp.	Pfd. Div'd	8-29
United Gas Improvement	Special	8-27

New York Central

(*Continued from page 759*)

effective as of October 1st of this year. The putting of this plan into effect will join those properties more closely with New York Central and is expected to effect important economies in various ways.

"Rights" in Prospect

It is perfectly natural to look for New York Central to issue stock from time to time to pay in part for the big improvement projects underway in New York City, Cleveland, and other big centers on the system. So far stock has not been offered to shareholders above par. Whether the next offering will be at that low figure in comparison with recent high market quotations cannot be learned at the moment. Undoubtedly the "rights" will be valuable in any event.

A quotation of 245 for New York Central stock, in itself, would seem to foreshadow an increase in the dividend. George F. Baker, Sr., owner of thousands of shares, the most influential member of both the Board and executive committee, is believed to favor an increase from 8 to 10%. Just when he will cast a formal vote in favor of the higher rate, and the other members of the board will do likewise, is another uncertainty at this writing.

For several months New York Central has participated in a combined rail and air service between New York City and Los Angeles. Westbound passengers leave on the Southwestern Limited and get the plane the next day either at Cleveland or Chicago. A hop is then made to a connection with the Atchison, which completes the western end of the schedule, that takes altogether only 46 hours. The New York Central management, by having made this arrangement, with the air line, is in shape for further development of this combined form of coast to coast transportation. It is expected, however, that the development will be gradual and will not be a big factor in passenger earnings one way or the other in the immediate future.

So far New York Central has not indicated its plan with respect to a grouping system in Eastern territory, of which it would be the head. Its directors and officers have given their attention so far, largely, to the merger plan involving roads in the Central West that long have been part of the New York Central system. They will not show their hand with respect to the Eastern situation until the hearing on the B. & O. and C. & O. plans, to be

New York Curb Market

IMPORTANT ISSUES

Quotations as of Aug. 15, 1929

Name and Dividend	1929 Price Range High	1929 Price Range Low	Recent Price
Aluminum Co. of Amer.....	339½	146	475
Aluminum Pfd. (6)........	108¼	103½	§107
Amer. Cyanamid "B" (1.60)	69	39½	
Amer. Gas Elec. (1)‡.......	224⅞	128	207
Amer. Super Power A (1.2)†	71¼	25⅞	56⅝
Assoc. Gas Elec. "A" (2.40)	65¾	49¼	62½
Centrif. Pipe (0.60)*........	13	7	9⅝
Cities Service (.30)†........	48½	28½	47¾
Cities Service Pfd. (6)†.....	98¾	93½	94
Cons. Gas of Balt. (3)......	160	88½	132½
Consolidated Laundries	21	15½	15½
Durant Motors†	20	9	9½
Elec. Bond Share (6).......	148	73	142½
Elect. Investors† (3.50 stk.)	302⅞	77½	266½
Ford Motors of Canada (13).	172	56½	65¼
Ford Motors, Ltd.	21⅞	15	19⅝
General Baking*	10⅞	6¼	6⅞
General Baking Pfd.* (6)...	79⅛	66	67⅛
Glen Alden Coal (10)†......	139	118½	126½
Gulf Oil (1.5)†..............	202⅞	142½	190⅞
Happiness Candy Stores (1.40)	5⅜	2	2½
Hecla Mining (1)...........	23⅞	16	18
Hygrade Food Products.....	49⅞	34½	40⅛
International Utilities B....	22⅞	14½	18⅛
Insur. Securities Inc. (1.40).	32⅞	25	31½
Lion Oil Refining (2).......	38⅞	23½	33
Lone Star Gas (2)..........	44	32¼	43
Metro Chain Stores.........	89	70	80½
Mountain Producers (1.60)†.	22⅞	11½	11¼
National Fuel Gas (1)......	43⅞	24¾	38⅝
New Jersey Zinc (new).....	87¾	75¾	82
Nipissing Mining (30c)*.....	3⅜	2½	2⅝
Pittsburgh & Lake Erie (5).	156⅞	135½	148
Salt Creek Producers (2)†...	25⅞	13½	13¾
So'east Pwr. & Lt. (1).....	87⅝	27⅝	§73
So'east Pwr. & Lt. (4).....	138	71½	§126
Stutz Motors*	34	12	14⅝
Transcontinental Air Trans..	33⅝	21½	23½
Trans Lux	24	5⅝	9⅝
Tubize Artif. Silk† (10)....	550	305	375
Tung-Sol Pfd. (3)...........	50½	42⅝	§43½
United Gas & Improv't (4½)	299⅜	155½	283½
U. S. Gypsum (1.60)........	77⅝	56	71½
STANDARD OIL STOCKS			
Continental Oil	29	16⅞	20⅝
Humble Oil (1.6)†..........	126⅞	89⅝	120
International Pet. (.37½)...	30⅜	22½	25⅝
Ohio Oil (2½)..............	75⅝	64½	70⅞
Standard Oil of Ind. (2½)†.	63	51½	54½
Vacuum Oil (4)†............	133⅜	105½	118½

* Listed in the regular way.
† Admitted to unlisted trading privileges.
‡ Application made for full listing.
§ Bid price.

held during the coming autumn.

If anything comes of the greatly muddled undertaking to put the railroads in the Eastern area into from four to six groups, New York Central will assume a commanding position and be at the head of one of the two largest systems. The company and its stock holders are expected to profit thereby as greatly as in the case of any other system that may be formed.

Electrification Projected

For several years New York Central has had studies made of plans for electrifying its main line from Harmon, a short distance above New York City, to Buffalo. It has been variously reported that when once this big undertaking, involving millions of dollars, is started, the first stretch will end either at Utica or Syracuse. The latter is said to be the more probable.

According to the latest information obtainable, there have been no important developments in connection with this whole matter recently. While it is admitted that electrification of New York Central is coming, it is pointed out that the ordering in recent months of 150 giant steam locomotives, costing approximately $14,000,000, would seem to indicate that the management will not act with undue haste. It is understood that the locomotives already in service are giving entire satisfaction. Whereas they were supposed to haul 12 cars on the Twentieth Century, they are hauling 15.

When New York Central decides to electrify money will be needed in the millions and it would seem perfectly natural to expect the offering of one or more good sized blocks of stock to shareholders. That the terms will be attractive may be taken for granted.

It is considerations such as these, rather than an 8% dividend, and probable earnings for 1929 double that rate, that have caused the steady buying of New York Central stock and the advance in the market quotation of more than 66 points from the low of this year to 245, and which should bring about still higher prices.

"Paid Up" Building and Loan Certificates Attractive for Investment

(Continued from page 771)

5% nor the 8% that determines the degree of safety of the investment however but also *the character of those who handle the funds.*

The Building and Loan certificates are free from Federal taxation. In this respect, the Government puts investment in these associations in the same category as it does investment in Government, State or Municipal Bonds, with one difference; the exemption is limited so that an investor may receive a non-taxable income of not more than

$300 per annum from Building and Loan shares.

One of the most encouraging features of the present day situation is the constantly increasing number of foundations, trusts, estates and other careful painstaking investors who are purchasing this class of security. They discriminate; they select associations of good standing and conservative management and they know their investment problem is solved completely and satisfactorily.

A helpful feature in elevating the standard of Building and Loan investment in this day is the determined action of various State Leagues of Building and Loan Associations. These organized groups of standard associations are vigorously endeavoring to eliminate any objectionable methods and practices that may have crept into the business. They are active and aggressive in their efforts to rectify conditions that require correcting in their own states. This, of course, redounds to the credit of the movement both locally and nationally. Probably never in history have so many billions of dollars been invested in any one form of security, for so many years, with such a satisfactory interest return and with such an unparalleled record of safety of principal as in Building and Loan shares. The perpetuating of that excellent record is a prime concern with the more conservative Building and Loan executives.

For this reason, in using Building and Loan shares as an outlet for funds, it is essential to remember that the size and the number of years an association has been operating, is not the sole determing factor of its safety and soundness, but that the character of the management is also a consideration. "Investigate before you invest." This always timely and purely businesslike precaution will pay enormous dividends in peace of mind. It will likewise assure to the investor the safety of his principal and the prompt payment of his dividends, and offer an inviting road to financial independence and security.

Reparations Settlement and Allied Debt Cancellation —Is Anything Settled?

(Continued from page 741)

provisions when the others were in danger of starvation. It was a good neighbor, however, and always assisted the needy out of its plenty, requiring only that whatever of grain or other commodities it lent repayment

(Please turn to page 804)

Statistical Record of Business

	Week Ended Aug. 10, 1929	Week Ended Aug. 17, 1929	Year Ago
Volume Stock Exchange Transactions (shares)	20,151,420	22,342,850	13,193,281
Average Price Magazine of Wall Street Index	161.6	168.3	130.3
Volume Bond Transactions	$61,364,000	$55,760,000	$41,797,300
Average Price 40 Bonds	86.47-86.02	86.16-85.96	89.73-89.24
Brokers' Loans (Federal Reserve)	†$6,020,000,000	‡$5,952,000,000	$4,223,000,000
Comm'l Loans Federal Reserve Member Banks	$9,270,000,000	$9,333,000,000	$9,033,228,000
Federal Reserve Ratio	74.6	74.6	69.7
Gold Holdings	$3,123,346,000	$3,128,818,000	$2,763,291,000
Rediscount Rate, N. Y.	6%	6%	5%
Debits to Individual Accounts	†$18,076,000,000	‡$16,574,000,000	$12,607,000,000
Call Money	8%	7%	7%
Time Money (90 days)	9%	8¾-9%	6¼-6½%
Commercial Paper	6%	6%	5¼%
Acceptances (90 days)	5¼-5⅛	5¼-5⅛%	4¾-4⅝%
Dun's Business Failures	435	368	404
Weekly Food Index (Bradst's)	$3.36	$3.35	$3.41
	July 1	Aug. 1	
Wholesale Prices (Bradst's)	$12.49	$12.63	$13.19

Industrial Barometers

	May	June	Year Ago
U. S. Steel Unfilled Tonnage	4,304,167	4,256,910	3,637,009
Steel Ingot Production	5,273,167	4,881,370	3,742,964
Pig Iron Production	3,898,082	3,715,583	3,082,340
Pig Iron Furnaces in Blast	219	220	189
*Copper Production (short tons)	108,961	.....	67,423
Car loadings	4,205,709	5,260,571	4,924,115
Automobile Production	603,968	566,744	357,087
Building Permits (Bradstreet's)	$190,849,600	$151,540,000	$246,740,100
Petroleum Production (bbls.)	84,415,000	83,403,000	72,526,000
Bituminous Coal Production (net tons)	40,172,000	38,073,000	35,936,000
Cotton Consumption (bales)	668,229	570,281	510,399
Spindles active	30,910,282	30,628,122	28,627,556
Wool Consumption (lbs.)	43,192,494	51,477,103	49,122,328
Railroad Earnings	$103,616,046	$105,946,086	$88,997,366
% on Railroad Property invested	5.81	5.30	4.17

Foreign Trade

	May	June	Year Ago
Merchandise Exports	$387,000,000	$397,000,000	$390,000,000
Merchandise Imports	$401,000,000	$352,000,000	$317,000,000
Gold Exports	$467,000	$550,000	$99,993,000
Gold Imports	$24,097,000	$30,762,000	$20,001,000

Distributive Trades

	April	May	Year Ago
Mail Order Sales index number—1923-5—100%	129	142	113
Chain Stores Sales Index number 1923-5—100%	184	178	156
Dept. Stores Sales index number 1923-5—100%	105	107	103

* U. S. Mines. † Aug. 7, 1929. ‡ Aug. 14, 1929.

KEEP POSTED

The books, booklets, circulars and special letters listed below have been prepared with the utmost care by business houses of the highest standard. They will be sent free on request, direct from the issuing houses.

PLEASE ASK FOR THEM IN NUMERICAL ORDER

We urge our readers to take full advantage of this service. Address, Keep Posted Department, Magazine of Wall Street, 42 Broadway, New York City.

FREE FOLDER

explains the advantages of guaranteed income Time Certificates issued by progressive building and loan association. Affords highest type of safety and definite 6½% earnings for five-year term. Issued for $100 to $10,000—bond form with quarterly or semi-annual interest coupons. Non-fluctuating — transferable — renewable and tax exempt. (526).

ATTRACTIVE INVESTMENTS

Arthur Atkins & Co. have prepared a descriptive folder calling attention to four Investment Trust and four Public Utility issues which they consider attractive and outstanding. (527).

THE INVESTMENT TRUST

Its origin and development — its function and operation—its benefit to the investor—are all graphically explained in this booklet issued by Samuel Ungerleider & Co., a prominent investment house. (528).

AVIATION SECURITIES

This little 4-page folder will give you at all times the current bid and asked price of any aeronautical security. Issued by W. S. Aagaard & Co., who will be pleased to place you on their mailing list. (530).

BONDS AND HOW TO BUY THEM

"Bonds and Stocks," "Classes of Bonds," "Factors of Bond Values," "How Bonds Differ and How to Select Them." These and other subjects of interest to the prospective purchaser of bonds are discussed in our booklet, "Bonds and How to Buy Them." Copy on request. (509).

FAR-FLUNG OPERATIONS OF STANDARD DREDGING COMPANY

include Los Angeles Harbor work, Houston Ship Canal from Galveston to Houston, Intercoastal canal in Calcasieu Parish, La., grade raising for the city of Galveston, Texas, the city of New York in Jamaica Bay, the United States Government in Honolulu and Pearl Harbor, Hawaii, the Mexican Government and major oil companies at Tampico, Mexico. Their convertible Preference Stock and Common Stock are listed on the Chicago Stock Exchange and offer good possibilities at present market prices. Send for 577.

TOBEY & KIRK MARKET LETTER THIS WEEK

features Studebaker Corp., Atlantic Refining, Chicago Great Western and Penick & Ford. Are you interested in any of these companies? Send for 578.

SURVEY ON THE OIL INDUSTRY

A comprehensive survey on the ramifications of the oil industry has been prepared by Wade Bros. & Co., members New York Stock Exchange, and your free copy will be forwarded upon receipt of your request. (579).

CORN PRODUCTS REFINING COMPANY

This company is discussed in a bulletin prepared by Goodbody & Co., members New York Stock Exchange, a copy of which will be forwarded to you gratis upon request. (568).

GENERAL THEATRES EQUIPMENT, INC.

The Common Stock Voting Trust Certificates of this company, which will control nine important theatre equipment companies, are recommended by Pynchon & Co. A complimentary copy of a circular describing this attractive security will be forwarded upon request. (580).

Recent Reported Earning Position of Leading Companies

This department serves to provide a current record of earnings reported by leading companies. Each issue covers only those reports which are received during the fortnight immediately preceding. Net worth is calculated from the latest available balance sheet; and earnings thereon serve to measure the profit position of the company in relation to its stockholders' investment. The ratio of debt to net worth indicates, by a percentage figure, the extent of bondholders' claims as compared to stockholders' equity.

Industrials

Company	Period of Report	Earned per Dollar of Net Worth	Ratio of Debt to Net Worth	Earned per Share of Common	Market Value Aug. 13, 1929, Times Earnings	Dividend Rate
Amerada Corp.	6 mos.	.02	ND	.39	71.25(g)	2
Amer. Encaustic Tiling	6 mos.	.07	ND	1.36	23.25(g)	2
Amer. Hide & Leather Co.	Year	(d)	ND	(d)	—	—
American Ice Company	6 mos.	.06	17	3.14(b)	16.8(g)	2
American Rolling Mills	6 mos.	.08	55	3.26	23.15(g)	2(a)
American Steel Foundries	6 mos.	.06	ND	2.59	25.6(g)	3
Allis-Chalmers Mfg.	6 mos.	NR	NR	7.72	34.9	7
Art Metal Construction Co.	6 mos.	NR	NR	1.31	21.75(g)	—
Art Metal Works, Inc.	6 mos.	NR	NR	1.80	19.45(g)	—
Atl'tic, Gulf & W. I. S. S. Lines	5 mos.	.05	72	7.41	8.4(g)	—
Atlantic Refining Co.	6 mos.	.07	11	3.06	21.25(g)	1
Barker Bros. Corp.	6 mos.	NR	NR	.34	31.24	2
Beech-Nut Packing Co.	6 mos.	.09	ND	3.24	25.9(g)	3
Belding Heminway Co.	6 mos.	.02	30	.45	24.4(g)	—
Bellanca Aircraft Corp.	6 mos.	(d)	NR	(d)	—	—
Briggs Manufacturing	6 mos.	.07	ND	1.21	28.5(g)	—
Bullard Company	6 mos.	.13	ND	2.17	21.7(g)	1.60
Calumet & Hecla Cons. Copper	6 mos.	.06(c)	ND	1.82(c)	24.85(g)	4
Canada Dry Ginger Ale, Inc.	6 mos.	.27	ND	3.34	26.35(g)	5
Certain-teed Products Co.	6 mos.	(d)	54	(d)	—	—
Childs Company	6 mos.	.02	51	.60	11.5(g)	2.40
Consolidated Cigar Corp.	6 mos.	.05	2	3.86	17.2(g)	7
Container Corp. of Amer.	6 mos.	.01	76	.24	27.8(g)	—
Coty, Inc.	6 mos.	.25	7	1.44	38.65(g)	2
Crosley Radio Corp.	6 mos.	.13	ND	1.43	68.6(g)	1(a)
Curtiss Aeroplane & Motor Co.	6 mos.	.09	ND	3.09	50.9(g)	1
Diamond Match Co.	6 mos.	.04	ND	4.71	48.55(g)	8%(e)
Elk Horn Coal Corp.	6 mos.	(d)	29	(d)	—	—
Endicott Johnson Corp.	6 mos.	.01	ND	.16	41(g)	5
Fairbanks, Morse & Co.	6 mos.	.04	26	2.38	17.65(g)	3
Federal Bake Shops	6 mos.	NR	NR	.31	24.2(g)	—
Federal Motor Truck	6 mos.	.05	14	.63	22.6(g)	.80
Fisk Rubber Company	6 mos.	(d)	46	(d)	—	—
General Amer. Tank Car	6 mos.	.06	45	4.07	24.7(g)	4
General Asphalt Co.	6 mos.	.01	11	1.41	62.5(g)	—
General Mills, Inc.	Year	.08	ND	4.57	15.7	3(a)
Glidden Company	8 mos.	.08	2(s)	2.54	22.9(g)	1.50
Graham-Paige Corp.	6 mos.	.08	21	.80	29.7(g)	—
Gotham Silk Hosiery Co.	6 mos.	.05	33	1.48	22.9(g)	2½
Grigsby-Grunow	Year	NR	NR	11.25(x)	20.55	4
Hershey Chocolate Corp.	6 mos.	.16	ND	4.69	23.5(g)	—
Hoe (R.) & Company	6 mos.	.04	69	2.11-A	14.25(g)	—
Holland Furnace Co.	6 mos.	.06	30	1.16	36(g)	2½
Inland Steel Co.	6 mos.	.10	51	5.11	19(g)	3½
International Business Mach.	6 mos.	.10	16	5.29	44.3(g)	5
Johns-Manville Corp.	6 mos.	.09	5(s)	3.70	49.3(g)	3
Kayser (Julius) & Co.	1 yr.	.12	NM	8.56	5.85	4
Kelsey-Hayes Wheel	6 mos.	.07	ND	2.48	17.65(g)	2
Kelvinator Corp.	9 mos.	.11	23	1.10	14.3(g)	—

Company	Period of Report	Earned per Dollar of Net Worth	Ratio of Debt to Net Worth	Earned per Share of Common	Market Value Aug. 13, 1929, Times Earnings	Dividend Rate
Lambert Company	6 mos.	NR	NR	5.28	28.2(g)	8
Lane, Bryant & Co., Inc.	1 yr.	NR	NR	8.05	9.95	2
Lehn & Fink Prod.	6 mos.	.09	ND	2.20	20.25(g)	3
Libby-Owens Glass Co.	8 mos.	.10	ND	1.53	27.8(g)	1
Link Belt Company	6 mos.	.07	ND	1.95	25.6(g)	2.60
Ludlum Steel Co.	6 mos.	.13	27	3.26	29.2(g)	2
McCall Corp.	6 mos.	.10	ND	4.88	19.45(g)	—
Mack Trucks, Inc.	6 mos.	.07	4	5.17	18.7(g)	6
Mallinson & Co., Inc. (H. R.)	6 mos.	(d)	ND	(d)	—	—
Marion Steam Shovel Co.	6 mos.	.03	37	1.92	15.85(g)	—
Marlin-Rockwell Corp.	6 mos.	.17	ND	3.86	19.7(g)	2
Maytag Company	6 mos.	.26	ND	1.55	16.5(g)	1.50
Mengel Company	6 mos.	.03	29	1.02	26.4(g)	—
Mohawk Carpet Mills	6 mos.	.06	ND	2.33	27.9(g)	2.50
Mullins Mfg.	6 mos.	|05	ND	2.36	16.75(g)	—
National Biscuit Co.	6 mos.	NR	NR	3.88	52.1	6
National Supply Co.	6 mos.	.05	ND	4.91	25.4(g)	5
National Tea Co.	6 mos.	.08	ND	1.92	35.4(g)	1½
New Jersey Zinc Co.	6 mos.	NR	NR	9.11	8.1	—
North Amer. Car Corp.	6 mos.	NR	NR	2.71	18.45	—
Paramount Cab Mfg. Corp.	9 mos.	.49	ND	4.86(b)	45.4(g)	2.40
Penney Co., J. C.	6 mos.	.06	ND	1.32	85.1(g)	—
Porto Rican-Amer. Tob. Co.	6 mos.	.04	52	.98-B	32.2(g)	—
Pullman, Inc.	6 mos.	.03	ND	2.24	36(g)	4
Real Silk Hosiery Mills	6 mos.	NR	NR	4.80(b)	15.8(g)	—
Richfield Oil of Calif.	6 mos.	.06	53	2.03	20.1(g)	2
Ruud Manufacturing	6 mos.	NR	NR	2.29	15.6	2.60
Safeway Stores, Inc.	6 mos.	.11	3	4.31	39.7(g)	3
Savage Arms Corp.	6 mos.	.04	ND	1.48	26(g)	2
Seeman Bros.	1 yr.	NR	NR	6.53	10.12	2
Simms Petroleum	6 mos.	.02	2	.50	72(g)	1.60
Skelly Oil Company	6 mos.	.03	38	2.93	14.15(g)	2
Spicer Manufacturing Co.	6 mos.	.13	ND	3.92(b)	13.3(g)	—
Standard Oil of Kansas	6 mos.	.05	ND	1.44	15.6(g)	—
Standard Textile Prod. Co.	6 mos.	.03	51	.28	164.5(g)	5
Studebaker Corp.	6 mos.	.08	ND	4.81	15.3(g)	5
Symington Company	6 mos.	.03	ND	.78-A	8.34(g)	—
Telautograph Corp.	6 mos.	.07	ND	.69	32(g)	1
Thatcher Mfg. Co.	6 mos.	.08	ND	.95	29.2(g)	—
Timken Detroit Axle	6 mos.	.05	ND	.76	31.6(g)	.60(a)
Trico Products Corp.	6 mos.	.30	ND	3.70	14.85(g)	2½
United Aircraft & Trans. Co.	6 mos.	.19	ND	2.61	51.1(g)	—
United Carbon Co.	6 mos.	.06	5	1.85	43(g)	—
United States Steel Corp.	6 mos.	NR	NR	10.38	22.85(g)	7
Universal Pipe & Rad. Co.	6 mos.	.01	20(s)	.07	137.5(g)	—
Vanadium Corp. of Amer.	6 mos.	.06	ND	3.12	26.4(g)	3
Vick Chemical Co.	Year	.78	ND	9.26	5.18	4
Waldorf System, Inc.	6 mos.	NR	NR	1.13	25.9	1½
Walworth Company	6 mos.	.06	65	3.01	13.65(g)	1.20
Warner-Quinlan Co.	6 mos.	.05	35	1.09	18.2(g)	2
Wheeling Steel Corp.	6 mos.	.05	41	7.12	13.4(g)	—

Railroads

Company	Period of Report	Earned per Dollar of Net Worth	Ratio of Debt to Net Worth	Earned per Share of Common	Market Value Aug. 13, 1929, Times Earnings	Dividend Rate
Ann Arbor R.R.	6 mos.	.02	96	6.55	78.25(g)	—
Chicago & Eastern Illinois Ry.	6 mos.	(d)	83	(d)	—	—
Cleve., Cin., Chic. & St. Louis	6 mos.	.04	139	9.28	34.3(g)	8%(e)
Pittsburgh & Lake Erie R.R.	6 mos.	.04	3	4.00	68(g)	1½
Wabash Railway	6 mos.	.02	70	1.74	38.8(g)	—

Public Utilities

Company	Period of Report	Earned per Dollar of Net Worth	Ratio of Debt to Net Worth	Earned per Share of Common	Market Value Aug. 13, 1929, Times Earnings	Dividend Rate
Amer. Water Works & Elec. Co.	12 mos.	.04	99	3.94	3.45(g)	1(a)
Buffalo, Niagara & Eastern Pr.	6 mos.	.03	65	1.46-A-C	83.6(g)	1(a)
Eastern States Power Corp.	6 mos.	.09	ND	1.71	40.25(g)	—
Elec. Bond & Share Co.	12 mos.	.08	ND	1.53	90.6	6(e)
Engineers Public Service Co.	12 mos.	.02	78(s)	2.69	27.5(g)	1(a)
North Amer. Lt. & Pwr. Co.	6 mos.	NR	NR	1.31	57.5	—
Pacific Lighting Corp.	12 mos.	.11	96	4.49	27.8	3
Standard Gas & Elec. Co.	12 mos.	.07	103	6.60	20.3(g)	3½
United Light & Pwr. Co.	12 mos.	.10	391	1.75-A-B	29.6	.60-A

(a) And extra. (b) Before taxes. (c) Before depletion. (d) Deficit. (e) Payable in stock. (g) Figured on basis of estimated yearly earnings as indicated by period reported. (x) On old stock. A—Class A stock. B—Class B stock. C—All classes of common stock. ND—No funded debt. NR—Unavailable. NM—Negligible. (s) Including obligations of subsidiaries.

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THE MARKET LETTER

of John Meledy & Co., members New York Stock Exchange, this week contains some valuable suggestions regarding the present market and outstanding bargains. Send today for your complimentary copy. (581).

EIGHT LEADING OIL COMPANIES

are analyzed in a folder issued by Dunscombe & Co., members New York Stock Exchange. Shall we forward a complimentary copy? Ask for 582.

NIAGARA HUDSON POWER AND COMMONWEALTH & SOUTHERN

are analyzed in special circulars prepared by Newburger, Henderson & Loeb, members New York Stock Exchange, and a complimentary copy will be forwarded upon request. (583).

DIXIE GAS & UTILITIES CO.

The Common Stock of this important public utility is recommended for investment by Moore, Leonard & Lynch, members New York Stock Exchange, and a special analysis will be forwarded upon request. (584).

(*Continued from page* 799)

should be with some increment. It tended the sick and helped bury the dead. In time, through foreclosures of its mortgages it was in a fair way to own the whole community. The other families had become impoverished through the excellence of the twelfth; it had become a pest because it was virtuous and prospered thereby. There was only one thing to do; the exemplary family was driven out of the village.

Under the ally debt settlements and the reparation agreement the United States will be this excellent but dangerous family to the other national families for the next 59 years. Perhaps they will not wait 59 years before taking common measures to get rid of it or its galling claims.

Nobody loves a creditor, debt paying is bitter. One pays even a just debt with some reluctance and with some resentment The ally families believe their debt to the United States is legal but immoral, unjust. They will pay it with increasing resentment and hatred from year to year. Every pay day will be a day of maledictions, of fresh stirring of ill-will towards us. And Germany will feel, as she pays the allies, that her burden would be much less but for our insistence on our pound of flesh nearest the heart. Every great nation's hand will be against us. They will all feel that the Great Republic, already incomparably wealthy, is draining them of their substance, retarding their growth, restricting their prosperity.

Our Foreign Trade

At the same time we shall become more and more dependent upon foreign trade and, therefore, upon the good-will of other nations. We shall be far more in need of their patronage than of their debts. Our government does not need repayment, our people need business and more business. We owe nothing to other governments, we need not be paid in order to pay—as a government. To be sure, as M. Poincare pointed out to the French parliament, the billions we loaned were not conjured up out of nothing, they came and are coming out of the pockets of taxpayers. Individual Americans are paying the money our government borrowed to lend to the allies. But, unlike the debts of other governments to ours, the payments on our national debt do not go out of the country. We borrowed from each other and we are paying back to each other. As a nation we paid for what we loaned when we shipped to Europe the goods that mostly represent the debts of the allies to us. Now it is only a question of adjusting the final bill among ourselves. If the allies pay up, some of us will have to pay less to the government in order to enable it to repay its borrowings from others of us. In millions of instances the individual creditor, the Liberty Bond holder, is also debtor as taxpayer. He pays the government to pay him.

When European governments pay us they have to take the money away from their people in order to pay us for the "dead horse" of the war. All that they got from us was burned and blown up in battle—and destroyed just as much in our cause, they contend, as the wealth we later burned and blew up ourselves in the great war.

Shall We Forget?

It is far easier for us to forget what we have already given Europe than it is for Europe to forget the ally debts will never be effectively what it must still pay us. Moreover, settled until the last cent is actually paid. There will always be insistent pressure to write them off. Every pay day will be a day of protest and complaint.

Would it not be good business for us to wipe out—cancel—the war debts, just as a prosperous business man sometimes finds it good business to compromise or write off an old debt in order to hold a solvent and good-willed patron for future business? Five or six hundred million dollars a year from Europe is nothing to us, especially as we as individuals will have to lend to Europe much of its government's transfer to us. We can make better use of the money at home.

Handicap of the World

But half a billion dollars a year looms very large in Europe, where the average annual earnings of the individual are not a third of ours. Half a billion dollars going out of the country and nothing coming back in return means a ghastly impairment of Europe's ability to expand and prosper. It helps to set back indefinitely that time when all peoples shall be as prosperous as we. The early coming of that time means more than a few billions more or less in our national treasury in the course of a lifetime. If Europe can keep its debt money at home, in the banks, in the pockets of its people, in the payrolls of its industries, it will grow into far more for us than their gold for old debts can ever mean. It is the future that concerns us, not the past. Better lose ten billions that are already gone than hundreds of billions to come. We won't miss the debts but we will miss the business.

Good-Will

It is not only what those billions may do for us if left in Europe, but it is also a question of good will. The debts make every national wish not to buy from us and prompt every debtor nation to shape its economic policy the same way—not only for emotional causes but for practical. The less they buy from us, the easier it will be to pay their debts. The debts hamper domestic industry and commerce in the debtor nations and reduce their trade with us—at the same time stimulating their trade with other nations.

More and more we shall be like Garet's twelfth family.

Will it be worth while?

In reality we have already canceled fifty or sixty per cent of the original debts when figured on the present worth amount of the funding settlements.

Our taxpayers can stand the rest. Perhaps, indeed, they can't stand not to stand it.

If we must have some quid pro quo for our political debts why not take a true political compensation? Why not ask France and England to cede their colonies in the Antilles and on the Caribbean sea to us. They are of no value whatever to the mother nations in a commercial way, and their political value is even less. If we are to have everlasting peace they are of no military value; and if we are not, they would fall to us in a war with either nation. We can make assets out of the islands and mainland patches that are liabilities to their present political owners. Such a transfer would prevent the establishment of a precedent—which worries many people—that international governmental loans are not made to be liquidated. We would save our faces as creditors and the allies theirs as debtors.

Penn-Ohio Edison Company

(*Continued from page* 761)

paring with $2.68 on 814,558 shares for the year 1928, and $1.86 earned on 375,962 shares of the Penn-Ohio Edison Co. in 1927 before the merger with Northern Ohio Power Co.

In addition to the 1,004,712 shares of no par common stock outstanding as of July 15th, 1929, there were 81,637 shares of prior preference stock of $100 par value, 49,229 shares of $6 cumulative preferred stock of no par value,

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"BUILDING A LARGER INCOME WITH SAFETY"

A 36-year old investment house has issued this booklet containing practical information on how to obtain the five cardinal qualities of safe and profitable investment. (285).

DIVIDENDS

A publication issued by Kidder, Peabody & Co. reviews financial conditions, recommends investment securities, and discusses matters of current interest to investors. (532).

FOUR-YEAR ANALYSIS OF FINANCIAL INVESTING CO. OF NEW YORK, LTD.

In charts, diagrams and statistical tables this booklet analyzes the first four years of operations of one of the older of American general management investment trusts. (533).

KEYSTONE INDUSTRIES

reviews monthly some phase of the leading natural resources of the Dominion of Canada. Issued by Williams, Brochu & Co., Inc., a prominent Montreal investment house. This circular will be sent gratis. (534).

BIGGER INVESTMENT RETURNS

A booklet issued by Babson's Statistical Organization explains their continuous working plan for your money and will be sent gratis. (536).

DIXIE GAS UTILITIES CO.

A resume of the securities of this public utility, traded on the Pittsburgh Stock Exchange, will be sent you without obligation. Send for 537.

CONSOLIDATED AIRCRAFT CORPORATION

A circular on the common stock of this corporation and its investment position has been issued by Pynchon & Company, members New York Stock Exchange. Your copy will be cheerfully mailed on request. (538).

FEDERATED CAPITAL CORPORATION

An investment trust of the British type. Earned 18.7% on average capital during year ended April 30, 1929, showing net profits of $910,288. Descriptive circular issued by P. H. Whiting & Co., which will be forwarded on request. (540).

SOUTHERN NATIONAL CORPORATION

Why the fifteen-year 6% Gold Debentures with stock purchase warrants attached are recommended by a leading stock exchange firm is explained in an interesting circular. (543).

OPPORTUNITIES IN RAILROAD STOCKS

Send today for the market letter issued by Newburger, Henderson & Loeb, which will offer you sound investment counsel regarding railroad issues. (552).

WHY WE CHOSE ATLANTA

See what Atlanta can mean to your business. Send for this free booklet giving the experience of more than 600 concerns now in Atlanta. (363).

PORT OF NEWARK

This booklet gives a most comprehensive description, not only of the Port of Newark, but also of the trading territory immediately adjacent to it. It is well worth reading for the information it contains. (410).

A 7% YIELD FROM FIRST MORTGAGES

on individual homes that do not exceed 50% of valuation is fully explained in a very attractive booklet—also how one may double his investment with absolute safety of principal in 10 years, 26 days. (415).

THE SAVINGS JOURNAL

published by the Greater Louisville Savings & Building, contains some salient points regarding B. & L. investments. If interested in B. & L. securities, you should send for your free copy. (503).

"HOW MUCH SHOULD I SAVE?"

This booklet presents a graphic answer to this question and offers three interesting plans for systematic savings, including charts and tables, showing accumulated interest on principal by years. Ask for 507.

TO OFFICERS OF CLOSE CORPORATIONS

A large trust company offers officers of close corporations a plan giving immediate and definite assurance that new interests will not buy into the business nor heirs suffer a financial loss on account of the death of a stockholder. Ask for booklet 510.

AIR NEWS

This interesting folder, published each week by W. S. Aagaard & Co., analyzes one of the leading aeronautical companies. Ask to receive your complimentary copy regularly. (547).

INTRODUCING CANADA TO NEW YORK

This booklet presents a graphic perspective of the profitable development of the natural resources in Canada. It contains 20 pages of interesting information. (548).

CANADIAN PUBLIC UTILITIES

Canada has almost unlimited water power, but the public utility stocks are relatively much lower than those in the United States. A. D. Watts & Co., members of the Montreal Stock Exchange, will gladly send recommendations and analyses. (549).

PROFITS IN AVIATION

is the title of a pamphlet prepared for distribution by Madden, Tracy & Co. It sets forth in brief the type of companies most likely to succeed in this fast-growing industry and gives a brief resume of a few of the leaders in the field. (550).

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are now selling at most attractive levels and offer investors an average yield of more than 4½%, safety and excellent prospects for capital appreciation. Send today for 24-page analysis. (551).

PUBLIC UTILITY MAP

We have prepared a map showing the territory served by the principal holding and operating public utility companies in the United States together with a chart which shows their corporate relationship and the gross earnings of each for the year 1928. Some 200 companies have been listed and the total gross of these exceeded $2,300,000,000. Send for your free copy. (553).

EXCHANGE BUFFET CORPORATION

The common stock of this Corporation, listed on the New York Stock Exchange, is recommended by Millett, Roe & Co. Including disbursements made by its predecessor corporation, Exchange Buffet has a record of 114 consecutive quarterly dividend payments on its Common Stock. Send for the interesting circular outlining the position of these shares. (554).

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The Texas Southwest is the youngest and most rapidly developing region in America. Interest rates upon first grade Southwestern securities are ½% to 1½% higher than normally prevailing rates in more congested money markets because of rapid expansion and growing demands for capital. The Mercantile Bank & Trust Co. of Dallas, Texas, a member of the Federal Reserve System, will be pleased to send you their booklet, "Southwestern Securities." Ask for 555.

BORG-WARNER CORPORATION

Paul H. Davis & Co. have prepared an analysis on this Corporation containing their latest balance sheet and five months' earnings statement which will be sent free on request. (556).

A THIRD OF A CENTURY OF SOUND INVESTMENTS

This 16-page booklet should be sent for today. Issued by Clarence Hodson & Co., Inc., it outlines the growth of the House of Hodson and points out that the company has established, organized or financed 44 national banks, 6 state banks, 7 trust companies, 1 investment company and 4 insurance companies. Send for your free copy. (569).

CONVERTIBLE ISSUES

A pamphlet now in preparation describes the safety and profit factors in convertible securities and makes reference to current opportunities. Send today for 570.

AMERICAN CAR & FOUNDRY CO.

Analyzed in the latest weekly review of Prince & Whitely, members New York Stock Exchange. Copy upon request. (571).

CONVERTIBLE SECURITIES

In no other form of investment will you find the possibilities for profit that you find in Convertible securities. Newburger, Henderson & Loeb has issued an interesting folder which points out the most promising of the convertible issues. Send for 572.

HYGRADE FOOD PRODUCTS CORP., PILOT RADIO TUBE CORP., NATIONAL CONTAINER CORP.

are all companies whose securities are analyzed in folders issued by Jerome B. Sullivan & Co. If interested in any or all of these companies, send for 573.

BREESE AIRCRAFT CORPORATION

The common stock of this corporation is analyzed in a folder issued by Madden, Tracy & Co. Send for gratis copy. (574).

MOTORIZING THE WORLD

Investors, bankers and business men interested in foreign trade will find information of value in this interesting booklet issued by General Motors Corporation. Send for 575.

CONVERTIBLE BONDS

J. R. Schmeltzer & Co., members New York Stock Exchange, have prepared a circular for distribution giving details on many attractive convertible issues. Send for your free copy. (576).

and 101,616 Series "A" and Series "B" option warrants expiring November 1st, 1935. The Series "A" option warrants entitle the holder to purchase common stock at $25 per share, while the Series "B" option warrants entitle the holder to purchase common stock at $55 per share prior to January 1st, 1930, and at $60 per share thereafter to November 1st, 1935. With the price of the common stock much above these levels the option warrants are rapidly being exercised.

Capitalization Conservative

Penn-Ohio Edison Company has two issues of bonds outstanding—$5,999,000 of 6% Gold Debentures Series "A" due November 1st, 1950, and $8,000,000 of 5½% Gold Debentures Series "B" due February 1st, 1959. This latter bond was issued earlier during the present year, and materially strengthened the working capital position of the company. Part of the proceeds from the sale of these bonds was used to refund $5,700,000 bank loans in February. The subsidiary companies have outstanding in the hands of the public capital stock to the amount of $27,685,898, and total funded debt of $67,700,000.

The capitalization is conservative from the viewpoint of public utility holding companies. It is likely that future financing of the system will be made in part at least on the holding company, a policy which will tend to strengthen the financial structure further. Such a policy will probably involve the issuing of valuable rights to the common stockholders from time to time whenever additional common stock is brought out. At least this was the method followed last year in redeeming the Northern Ohio Power Company Ten-Year 7% Secured Bonds, which was accomplished by offering rights to the common stockholders to subscribe to additional stock at $35 per share in the ratio of one new share for each ten shares held.

The common stock at present is paying a dividend of $1 a share and 4% in stock. Current earnings justify the payment of a higher cash dividend, but in view of the company's policy of plowing earnings back into property, no immediate increase is probable. Taking into consideration both the cash and stock payments, the yield is approximately 5.07%. The stock has ranged in price this year from 53 to 106½ and is currently selling for about 93 on the New York Curb Exchange. At this price, the stock is selling for over 36 times the earnings and although discounting further favorable earnings developments considerably in the future, still possesses possibilities of substantial price enhancement based on merger prospects. A large majority of the Penn-Ohio Edison common stock is held by the recently organized Commonwealth & Southern Corp., together with the majority stock in Commonwealth Power Corp., Southeastern Power & Light Company and Columbus Electric & Power Company. It is logical that a 100% acquisition of these properties will eventually occur, and a super power system formed extending from the Great Lakes practically to the Gulf.

Insurance Department

(*Continued from page 767*)

$1,300. We do not have the deferred rate figures.

It is a matter for your own decision and choice as to whether you take a *deferred* annuity now and pay for it by installments (i. e., annual premiums), or accumulate a savings fund by means of a good Building and Loan Association and later on in life apply the proceeds of your Building and Loan investment to the purchase of an *immediate* annuity. Both types of saving have a gentle compulsion about them, in that premiums, or installments, must be made in specified amount at stated intervals.

Should I Change My Policy?

Insurance Editor:

In your issue of July 13th you published a table on annual premiums on endowment insurance. Comparing the rate of premiums that I am paying on my insurance I found out that I am paying considerably higher than I ought to pay referring to your own table. I took my insurance last February, then at the age of 25. My insurance is a 40-year endowment policy (face value—$2,000) and I am paying $56 a year payable semi-annually. I have already paid the first half of the year's premium.

Studying your own table I found out that by adding about $4 to the premium I am paying I can get a 25-year policy of the same face value.

Please advise me how I can adjust my insurance so that I can get the 25-year endowment. Should I forfeit my insurance and get another from another company? In your answer please give me a list of some companies that you can recommend in case I forfeit my present policy, as I do not care to lose the $30 I have already paid if only I could get a 25-year endowment.

L. D. O.

The rates quoted in my article in the July 13th issue were *non-participating;* quotations on this basis being used for a quicker visualization of the net cost.

You are apparently carrying a 40-year endowment policy with a participating company, under which your future premiums will be reduced by annual dividends. Probably also your policy includes the disability and accidental death benefits which call for additional premiums, and which were not included in the figures quoted for endowments in the article on July 13th.

If you are carrying your protection with a good Old Line institution, you should of course continue to do so. You are probably getting all that you pay for; and your future dividends may be used to reduce the premium cost if you so desire. There are several dividend options which you should read carefully in your policy, thereafter advising the company of the one you have selected.

Your policy provides for protection of a beneficiary over a long term of years, and in the happy event of your living on to enjoy the autumn of life, the proceeds of the policy are payable to yourself at age 65. This is an excellent contract for a young man of 25, and we do not advise you to make any change.

Trade Tendencies

(*Continued from page 777*)

rayon has cut heavily into consumption of cotton and silk and it is highly probable that rayon will continue to affect these textiles unfavorably as the industry expands. At any rate, producers' prospects for continued high earnings are good.

While optimism for cotton, woolen and silk goods seems prevalent among the trade, it is likely that demand will not catch up with present large production capacity for some time yet. Certainly as long as manufacturers continue current price cutting tactics, textiles—other than rayon, of course—will probably be listed with the unsatisfactory industries.

FARM EQUIPMENT

Faces Prosperity

The about-face of the agricultural situation this year from prospects of reduced farm buying power, due to bumper crops and concomitant low prices anticipated in the early spring to the present position of short crops and higher prices, has changed the entire outlook for the farm equipment industry.

Given adequately sustained farm buying power, this industry may expect steadily increasing demand as the farmers of this country become educated to the fact that scientifically mechanized methods of agricultural procedure are the most efficient and

the most economic. Another important factor in expansion is the exploitation of foreign fields. Growing success in this direction is evident from current estimates that exports this year will be approximately 7.25% greater than in 1928.

Along with increases of sales and production volume, manufacturers have been able to maintain good profit margins. This fact, of course, has been one of the chief factors in placing the farm equipment industry in its present prosperous position. Replacement of the horse by trucks and tractors and substitution of mechanical devices for planting and harvesting cotton in place of negro labor, have also played important roles in the expansion of the industry.

Current high grain prices and prospects for fair returns to cotton planters seem to indicate that demand will be good for harvesters, combines and implements used in cotton growing during the coming term.

While at the present time the industry is going through the customary seasonal recess during which plant facilities are adjusted for the manufacture of fall implements, it seems likely that, in view of the current favorable agricultural situation, operations will soon be resumed at the high levels of the first half year and that earnings will be satisfactorily maintained.

The New Force That Skyrockets Security Prices

(*Continued from page 738*)

sophisticated realization of the fact that aside from the probable increase in market value, the split-up alters in no way their equity in the corporation in question.

The small "floating supply" of stocks in speculators' hands and the resultant scarcity values introduces a new technical factor into the price trend of the current market. In proportion to the ease with which such stocks are moved, their relation with intrinsic investment value is submerged. Consequently, we have witnessed some striking examples of technical moves in stocks that we must look to the element of scarcity values to account for rather than any fundamental change in the position of the corporations that they represent.

For example, when Westinghouse moves 30 points over the week-end, the market value of its capital is raised 75 million dollars. When Detroit Edison runs up 50 points in a week, 50 million dollars is added to the value of its capital. Even a modest 12 points move in Montgomery Ward, after selling ex-dividend represents a 40 million dollar increase to capital value. When larger numbers of shares are outstanding, the example becomes more striking. Thus, a run up of fifteen points in less than ten days for U. S. Steel enhances its capital value by somewhat more than 120 million dollars.

It is not merely a coincidence that these particular market moves have occurred in the shares of companies which are in a very strong financial and operating position at present. Ultimately such moves may be substantiated by real growth in earning power and other factors that comprise the real values behind equities. No such change occurred during the few days of exciting stock movements under question, however, making it necessary for the sophisticated trader to look elsewhere for his explanation.

This analysis would hardly be complete without pointing out that the scarcity value of any particular stock or groups of stocks may be a double-edged sword as far as the individual investor is concerned. As long as there is a sustained demand for the better grade of investment stocks, this factor exaggerates the condition of competitive bidding and rising prices With any marked change in the financial or industrial situation, however, these artificial values would disappear like a mist on a hot summer morning In order to find enough supporting bids under such circumstances the market would have to fall back on the inherent investment demand that is stimulated by intrinsic values.

A miniature of this imaginary condition was witnessed two weeks ago when the rediscount rate was raised. The action brought offerings of shares to the market that momentarily dried up the scarcity value of many leading issues. Overnight, bids were withdrawn to a point from five to ten points below the closing prices of the previous session.

The illustration serves as a caution to investors and traders that they must keep a watchful eye on the horizon for any forthcoming factors that will affect in any material way the general demand for stock investments.

Near Future of Oil Hangs in Balance

(*Continued from page 751*)

oil companies are striving to bring about cooperations, even though they may not succeed in doing so immediately, should not be overlooked.

However, unless the restrictive measures which have been adopted to take effect in California on August 31st are productive of the expected reduction of approximately 250,000 barrels of crude oil daily, it is doubtful that a downward revision of oil prices can be avoided. Should the latter contingency eventuate, earnings for the second half year would doubtless suffer some shrinkage compared with the excellent showing of the first half.

The uncertainties in the present situation readily account for the lack of responsiveness of most oil stocks to the noteworthy expansion in net reported for the first half. But, making due allowance for the difficult that may still have to be faced, it is possible that the well rounded units, those whose operations are immune to the depression in the producing end of the business, will still show a substantial gain in net income for 1929 compared with 1928.

The oil group is thus not without opportunities, especially since the bull markets of the past two years or more have not contaminated the majority of oil stocks with inflation, assuming it generally existent. Obviously, a turn for the better in fundamental conditions would permit some of the strong units to increase dividends And from whatever viewpoint, speculative or investment, the thoroughly integrated companies are obviously the more desirable, being equipped to withstand either a siege of price reductions or benefit promptly from improvement.

Westinghouse Electric

(*Continued from page 765*)

of Westinghouse from a low of 137½ to a new peak of 250, both top levels being reached on August 14th and establishing a spread of approximately 82%.

Westinghouse Electric & Manufacturing is one of the higher grade industrial stocks: has established earning power and a promising outlook. While the present dividend of $4 affords a yield of only 1¾% on the recent price of 240, the speculative possibilities are apparently outweighing such a consideration. The stock gives evidence of being strongly held, having showed marked resistance on market recessions, and in view of the comparatively high ratio of earnings to dividends the latter would seem to be in line for upward revision.

For Feature Articles to Appear in the Next Issue See Page 733

Financial Notices

Dividends and Interest

IMPERIAL OIL, LIMITED.
DIVIDEND
Notice to Shareholders and the Holders of Share Warrants

Notice is hereby given that a dividend of twelve and one-half cents (12½c) per share, in Canadian funds, has been declared by the Directors of the Company and that the same will be payable in respect of shares specified in any share warrant of the Company of the 1929 issue within three days after the Coupon Serial Number TWENTY-TWO (22) of such share warrant has been presented and delivered to:

The Royal Bank of Canada,
Toronto, Ontario,

or at the office of:

Imperial Oil, Limited,
56 Church Street,
Toronto, Ontario,

such presentation and delivery to be made on or after the
3rd day of September, 1929.

Payment to Shareholders of record at the close of business on the 15th day of August, 1929 (and whose shares are represented by share certificates of the 1929 issue), will be made on or after the 3rd day of September, 1929.

The books of the Company for the transfer of shares will be closed from the close of business on the 15th day of August, 1929, to the close of business on the 31st day of August, 1929.

BY ORDER OF THE BOARD
F. E. Holbrook,
Secretary.

56 Church Street,
Toronto, Ontario.

Canadian Pacific Railway Company

DIVIDEND NOTICE

At a meeting of the Board of Directors held today, the following Dividends were declared:

On the Preference Stock, two per cent. for the half-year ended 30th June last;

On the Common Stock, two and one-half per cent. for the quarter ended 30th June last from Railway Revenues and Special Income;

Both Dividends are payable 1st October next to Stockholders of record at three P. M. on 30th August. By order of the Board.

ERNEST ALEXANDER, Secretary.

Montreal, 12th August, 1929.

Underwood Elliott Fisher Company

A dividend of $1.75 a share on the Preferred Stock, a dividend of $1.75 a share on the Series B Preferred Stock and a dividend of $1.00 a share on the Common Stock of Underwood Elliott Fisher Company will be payable September 30, 1929, to stockholders of record at the close of business September 12, 1929.

C. S. DUNCAN, Treasurer.

The United Gas Improvement Co.

N. W. Cor Broad and Arch Streets

Philadelphia, Pa., May 24, 1929.

The Directors have this day declared a quarterly dividend of two and one-quarter per cent ($1.12½ per share) on the Capital Stock of this Company, payable September 30, 1929, to stockholders of record at the close of business August 31, 1929.

Checks will be mailed.

I. W. MORRIS, Treasurer.

TEXAS GULF SULPHUR COMPANY

The Board of Directors has declared a distribution of $1.00 per share on the Company's 2,540,000 shares of capital stock without nominal or par value, payable on September 16, 1929, to stockholders of record at the close of business on September 2, 1929.

Stockholders will be advised later as to what portion of said distribution is from Free Surplus and what from Reserve for Depletion.

H. F. J. KNOBLOCH, Treasurer.

Dividends and Interest

NCCA ORGANIZATION

National Cash Credit Ass'n

Alabama Cash Credit Corporation

Preferred Stock Dividend No. 14

The regular quarterly dividend of Fifteen Cents (15c) per share and an extra dividend of Fifteen Cents (15c) per share has been declared on the Preferred Stock of the Corporation, payable August 24, 1929, to stockholders of record on August 12, 1929.

OSCAR NELSON, Treasurer.

Alabama Cash Credit Corporation

Common Stock Dividend No. 14

The regular quarterly dividend of Fifteen Cents (15c) per share has been declared on the Common Stock of the Corporation, payable on August 24, 1929, to stockholders of record on August 12, 1929.

OSCAR NELSON, Treasurer.

American Cash Credit Corporation

Class "A" Common
Accumulative Dividend

An accumulative dividend of Sixty Cents (60c) per share per annum, from the date of issue, on the Class "A" Common Stock; also an extra quarterly dividend of Nine Cents (9c) per share has been declared on the Class "A" Common Stock of the Corporation, payable August 24, 1929, to stockholders of record August 12, 1929.

OSCAR NELSON, Treasurer.

American Cash Credit Corporation

Class "B" Common
Quarterly Dividend No. 1

A regular quarterly dividend of Ten and One-Half Cents (10½c) per share has been declared on the Class "B" Common Stock of the Corporation, payable August 24, 1929, to stockholders of record August 12, 1929.

OSCAR NELSON, Treasurer.

Badger State Cash Credit Corp.

Preferred Stock Dividend No. 4

The regular quarterly dividend of Twenty Cents (20c) per share and an extra dividend of Ten Cents (10c) per share has been declared on the Preferred Stock of the Corporation, payable on August 24, 1929, to stockholders of record on August 12, 1929.

OSCAR NELSON, Treasurer.

Badger State Cash Credit Corp.

Common Stock Dividend No. 4

The regular quarterly dividend of Ten Cents (10c) per share has been declared on the Common Stock of the Corporation, payable on August 24, 1929, to stockholders of record August 12, 1929.

OSCAR NELSON, Treasurer.

Georgia Cash Credit Corporation

Preferred Stock Dividend No. 3

The regular quarterly dividend of Twenty Cents (20c) per share and an extra dividend of Ten Cents (10c) per share has been declared on the Preferred Stock of the Corporation, payable on August 24, 1929, to stockholders of record on August 12, 1929.

OSCAR NELSON, Treasurer.

Georgia Cash Credit Corporation

Common Stock Dividend No. 3

The regular quarterly dividend of Ten Cents (10c) per share has been declared on the Common Stock of the Corporation, payable on August 24, 1929, to stockholders of record on August 12, 1929.

OSCAR NELSON, Treasurer.

Illinois Cash Credit Corporation

(A New Jersey Corporation)

Preferred Stock Dividend No. 6

The regular quarterly dividend of Twenty Cents (20c) per share and an extra dividend of Ten Cents (10c) per share has been declared on the Preferred Stock of the Corporation, payable August 24, 1929, to stockholders of record August 12, 1929.

OSCAR NELSON, Treasurer.

Illinois Cash Credit Corporation

(A New Jersey Corporation)

Common Stock Dividend No. 6

The regular quarterly dividend of Ten Cents (10c) per share has been declared on the Common Stock of the Corporation, payable August 24, 1929, to stockholders of record August 12, 1929.

OSCAR NELSON, Treasurer.

Note: Stock originally issued after May 25, 1929, will receive a pro rata dividend according to resolution.

METRO-GOLDWYN-MAYER PICTURES

August 19, 1929.

The Board of Directors of the Metro-Goldwyn Pictures Corporation has declared a quarterly dividend of 1¾% on the Preferred Stock of this Company, payable on the 15th of September, 1929, to stockholders of record at the close of business on August 30, 1929.

Checks will be mailed.

DAVID BERNSTEIN,
Vice-President & Treasurer.

Dividends and Interest

UNION CARBIDE AND CARBON CORPORATION

A cash dividend of sixty-five cents (65c) per share on the outstanding capital stock of this Corporation has been declared, payable Oct. 1, 1929, to stockholders of record at the close of business September 6, 1929.

WILLIAM M. BEARD, *Treas.*

SOUTHERN PACIFIC COMPANY

DIVIDEND NO. 92

A QUARTERLY DIVIDEND of One Dollar and Fifty Cents ($1.50) per share on the Capital Stock of this Company has been declared payable at the Treasurer's Office, No 165 Broadway, New York, N. Y., on Tuesday, October 1, 1929, to stockholders of record at three o'clock P. M. on Monday, August 26, 1929. The stock transfer books will not be closed for the payment of this dividend.

G. M. THORNTON, Treasurer,
New York, N. Y., August 8, 1929.

KEEP POSTED

The books, booklets, circulars and special letters listed below have been prepared with the utmost care by business houses of the highest standard. They will be sent free on request, direct from the issuing houses.

PLEASE ASK FOR THEM IN NUMERICAL ORDER

We urge our readers to take full advantage of this service. Address, Keep Posted Department, Magazine of Wall Street, 42 Broadway, New York City.

STANDARD OIL ISSUES

We have available for distribution descriptive circular on all the Standard Oil issues. (219).

THE PARTIAL PAYMENT

method of purchasing good securities in odd lots and full lots on convenient terms is explained in a free booklet issued by an old established New York Stock Exchange House. (224).

ODD LOTS

A well known New York Stock Exchange firm has ready for free distribution a booklet which explains the many advantages that trading in odd lots offers to both small and large investors. (225).

A SUGGESTION TO INVESTORS

This booklet explains in detail the features of Odd-lot investing. If interested, the prominent New York Stock Exchange firm issuing this booklet will be pleased to send you a complimentary copy. (278).

THE BACHE REVIEW

By reading this timely booklet but ten minutes a week you will be able to judge the market more accurately. Sent for three months without charge. (290).

THE KNACK OF CORRALLING DOLLARS

is the title of an instructive booklet issued by The Prudence Company, Inc. It points the way to financial independence through the accumulation of guaranteed Prudence-Bonds. Among other things, it shows how they may be purchased through monthly payments of $10 or more, the investor receiving 5½% interest on his payments. A copy of this interesting booklet will be sent to you without obligation upon request. (316).

FOR INCOME BUILDERS

This booklet describes a practical Partial Payment Plan, whereby sound securities may be purchased through monthly payments of as little as $10. Shows how a permanent, independent income may be built through the systematic investing of small sums set aside from current earnings. (318).

THE REAL ESTATE INVESTMENT OF THE FUTURE

Mr. Fred F. French, one of the country's foremost real estate authorities, has explained the operation of the French Plan in the above mentioned book. Send for your free copy. (348).

KEEPING THE INVESTOR INFORMED

How owners of the securities of one of the largest organizations of its kind are kept informed regularly of earnings, developments and plans of the great industries back of their holdings. (362).

MAKING PROFITS IN SECURITIES

Are you profiting by the major and also the minor swings of the market? If not, you will be interested in the above booklet issued by a leading financial service in New York City. (377).

CONSISTENT INVESTMENT SUCCESS

The sound investment principles followed by the Brookmire Service and the adaptability of these principles to the requirements of every investor, large or small, is described briefly in this interesting booklet. (413).

MAKING MONEY IN STOCKS

If you are interested in the stock market you will enjoy reading the recent book published by the Investment Research Bureau. It describes in detail the Bureau's Financial Service, and will be mailed to you free upon request together with current stock market and special reports. (425).

MARKET ACTION

is the title of a bulletin issued every week by a large financial service house, which will keep you advised of the opportunities offered with every turn of the market. Send for your complimentary copy today. (493).

CONVERTIBLE SECURITIES

During the past few years there has been a decided trend among investors toward securities of the convertible type. The reason for this is to enable holders of fixed income securities, such as bonds and preferred stocks, to share in some measure with the common stockholders in the future growth and prosperity of the issuing corporation. If you are interested in this attractive form of security, send for an interesting 24-page booklet issued by Geo. H. Burr & Co., a prominent investment house, which contains a list of promising convertible preferred stocks and bonds. Ask for 494.

INCREASING YOUR INCOME RETURN

The three factors that enter into the stability of a security are indispensability, growth and protection. Public Utility securities having these all-important attributes offer you the ideal investment. The firm of G. L. Ohrstrom will gladly mail you free of charge a copy of their interesting 20-page booklet, "Increasing Your Income Return," which contains some attractive public utility investment sponsored by this well-known house. Ask for 495.

"CORPORATION EARNINGS"

Many factors influence short market swings but for the long pull investor nothing is more important than corporation reports showing earnings on common stocks and the comparison with previous year indicating earning TRENDS. Ask for a free sample of "CORPORATION EARNINGS." (496).

MONEY TALKS

is the title of an interesting leaflet describing 8% quarterly dividends of a conservative, well managed building and loan association. Substantial cash reserves provide availability of investors' funds, and first mortgages on homes establish thorough safeguards and diversification of principal. Write name and address on margin and mail today. Check this number—(497).

TOBEY & KIRK MARKET LETTER

contains each week in addition to a resume of the market some worthwhile suggestions in specific investments. Send for your free copy. (498).

EACH WEEK

In the market letter issued by McClave & Company, prominent New York Stock Exchange house, a short history, present position and prospects for the securities of a company whose stock is listed on the "Big Board" is given. Send for 499.

"THE ONE BEST INVESTMENT"

Where to find it—How to judge it. Send for your free copy (500).

WINGS OF INDUSTRY

is the title of an aeronautical security publication, issued by a Wall Street house and should be read for the investment suggestions that it carries. A complimentary copy will be gladly sent you on request (502).

STOCK MARKET PROFITS—MAKING MONEY WITH MONEY

An interesting booklet, describing thoroughly tested and successful methods employed in profitable stock market trading. Also a unique "One Outstanding Stock" method for the investor with limited funds. (504).

BTI

The investing public is now realizing that through their large earning power, and consistent growth, the capital stocks of New York banks and Trust Companies offer investment possibilities. Send for the stock records of all these institutions listed in this attractive folder. (512).

A DICTIONARY OF INVESTMENT TERMS

is the title of a very interesting booklet offered free to investors by a leading Chicago bond house dealing principally in public utility bonds and stocks. It defines practically all the terms used in financial literature and contains much other helpful information of interest to investors. (515).

PAINE WEBBER REVIEW

published semi-monthly by the well-known New York Stock Exchange house, will be gladly sent to you on request. It contains besides general comment on the developments in the stock market, specific recommendations of securities. Ask for 521.

ASSURED SAFETY AND 9 PER CENT EARNINGS

from a building and loan association located in San Angelo, Texas—explained in an interesting 8-page folder which will be sent free on request. (523).

CANADIAN MINING SECURITIES CORP.

is a well managed investment trust offering a participation in the profits of a safely diversified list of Canadian mining, oil, financial, industrial and public utility companies. Send for details. (546).

GENERAL BAKING CORPORATION

The profits of the large baking corporations, in the majority of cases, were distinctly higher during the first quarter of the current year than during the corresponding period of last year. An analysis of the General Baking Corporation, with particular reference to the preferred and common stocks, has been prepared by Peter P. McDermott & Co., and a copy will be forwarded upon request. (557).

AMERICAN EUROPEAN SECURITIES CO.

A comprehensive circular on this important investment trust showing the public utility, industrial, miscellaneous common and preferred stocks involved, together with the latest financial statement of the Company, will be sent upon request. (558).

THE PARKER PEN COMPANY

The common stock of this Wisconsin corporation, one of the largest manufacturers of fountain pens and mechanical pencils in the world, is offered and recommended by A. G. Becker & Co., a prominent investment house. Send for complimentary copy of 4-page folder describing this attractive investment. (559).

EIGHT RAILROAD EQUIPMENT COMPANIES

are analyzed and their securities commented upon in folders prepared by the New York Stock Exchange firm of Dunscombe & Co. Complimentary copies will be forwarded upon request. (560).

"THE SEAL THAT CERTIFIES SAFETY"

is the title of an attractive booklet giving important information regarding the securities upon which the seal of the General Surety Company is placed. It will be sent gratis upon request. (561).

EISLER ELECTRIC CORPORATION

The financial position of this outstanding manufacturer of essential equipment and parts for radio tubes, television, Neon light and talking motion picture industries is shown in descriptive folder. (562).

All of these Allotment Certificates have been sold at the original offering price of $55 per unit.

National Republic Investment Trust

(A Trust Organized under the laws of Illinois)

100,000 Cumulative Convertible Preference Shares
100,000 Non-Voting Common Shares

Representing Beneficial Interest in the Trust

Offered in the form of Allotment Certificates representing one Cumulative Convertible Preference share (non-voting) and one Non-Voting Common share.

Chicago Trust Company Depositary and Transfer Agent	The National Bank of the Republic of Chicago Registrar

Cumulative Convertible Preference Shares (non-voting) preferred over Non-Voting Common Shares as to cumulative dividends at the rate of $3 per annum per share payable quarterly November 1, February 1, May 1 and August 1, accruing from August 1, 1929, and as to assets on liquidation up to $50 per share and accrued dividends: redeemable in whole or in part at any time upon 30 days' notice at $55 per share and accrued dividends. In the event of redemption Cumulative Convertible Preference Shares may be converted up to the day before the redemption date. The holders of neither class of shares will have any pre-emptive rights to subscribe to future issues of shares or other securities except the holders of the Preference Shares in the case of the issuance of additional Cumulative Convertible Preference Shares beyond the 120,000 Preference Shares authorized at this time.

Each Cumulative Convertible Preference Share may be converted into one Non-Voting Common Share up to August 1, 1931, or into three-fourths of a Non-Voting Common Share thereafter up to August 1, 1933, or into one-half Non-Voting Common Share thereafter, with adjustment in each case for dividends. The Declaration of Trust contains provisions to protect the conversion privilege in connection with dilution by the issuance of additional Non-Voting Common Shares.

Organization: National Republic Investment Trust has been organized as a Trust under the laws of the State of Illinois to acquire, hold, manage, sell and deal generally in stocks, bonds and securities of all kinds. The Declaration of Trust provides for Trustees who will have absolute control of the Trust Estate and absolute discretion as to its investment and reinvestment.

The Trust will receive from the sale of the securities to be presently outstanding not less than $6,250,000, of which $1,000,000 has already been paid in for 180,000 non-voting common shares by trustees acting in a fiduciary capacity for the stockholders of The National Bank of the Republic of Chicago, and by A. G. Becker & Co. The statements of condition of The National Bank of the Republic of Chicago and its affiliate, Chicago Trust Company, as of June 29, 1929, showed combined resources of $204,612,071.

Trustees: The Trustees who are all Executive Officers of The National Bank of the Republic, as described below, are as follows:

	Charles S. Castle Vice-Chairman, Executive Committee	H. E. Otte Vice-Chairman of the Board
John A. Lynch Chairman, Executive Committee	George Woodruff Chairman of the Board	John W. O'Leary President
David R. Forgan Vice-Chairman, Executive Committee	Lucius Teter Vice-Chairman of the Board	Ward C. Castle Executive Vice-President

Vacancies which may occur among the Trustees will be filled by appointment by the remaining Trustees. The Trustees will not receive any compensation for their services as Trustees. There will be no Management Fee and there are no options on unissued shares, except the conversion rights of the Cumulative Convertible Preference Shares. Officers of the Trust may be paid salaries.

Trust Capital: Beneficial interests in the Trust will be evidenced by transferable certificates of two classes of shares as follows:

	Authorized	Presently To Be Outstanding
Cumulative Convertible Preference Shares (no par value) entitled to $3 per annum per share, cumulative.......	120,000 shs.	100,000 shs.
Non-Voting Common Shares (no par value)..............	420,000 shs.*	280,000 shs.

*120,000 shares reserved for conversion of Cumulative Convertible Preference Shares.

Trust Provisions: The Declaration of Trust which is on file with Chicago Trust Company, Depositary, provides among other things as follows:

1. The Trust shall terminate at the expiration of 75 years or at the end of certain named lives, whichever is earlier, and may be terminated at any time by the Trustees.
2. Title to the property in the Trust Estate will be held by the Trustees or under their direction and control. Neither the Trustees nor the shareholders shall be personally liable for any of the obligations of the Trust.
3. The Trust Estate will be controlled and managed by the Trustees in their absolute discretion, the rights and duties of the Trustees being defined in the Declaration of Trust.

The Trustees or the corporations or firms with which they are identified may have transactions with the Trust.

Share Units: The Cumulative Convertible Preference Shares and Non-Voting Common Shares herein offered will be delivered in the form of Allotment Certificates representing one share of each class. Holders of such Allotment Certificates will be entitled to receive the dividends paid upon the Cumulative Convertible Preference and Non-Voting Common Shares represented thereby and to receive on August 1, 1931, or earlier at the option of the Trustees, certificates for such Cumulative Convertible Preference and Non-Voting Common Shares. In the event holders of Allotment Certificates desire to convert the Cumulative Convertible Preference Shares represented by their Allotment Certificates they may do so on any dividend payment date by presenting the Allotment Certificates to the Depositary and receive in return therefor the Non-Voting Common Shares represented by the Allotment Certificates together with the Non-Voting Common Shares to which they are entitled by the conversion privilege.

Offered if, as and when issued and received by us and subject to the approval of legal matters by Arthur J. Hughes, Esq., and Messrs. Judah, Willard, Wolf & Reichmann. It is expected that delivery will be made about August 21, 1929.

The Allotment Certificates have been admitted to trading on a when, as and if issued basis on the Chicago Stock Exchange.

Price at the Market

A. G. Becker & Co.

54 Pine Street, New York

100 South La Salle Street, Chicago

All statements herein are official or are based on information which we regard as reliable, and, while we do not guarantee them, we ourselves have relied upon them in the purchase of this security.